



Daily Report

East Asia

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Quadrilateral Ministers Hold Access Talks in Tokyo

*OW2306131693 Tokyo KYODO in English 1254 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—Trade ministers from four major economic powers on Wednesday [23 June] held frank discussions on market access for industrial products and services as part of the stalled Uruguay Round of multilateral trade negotiations, Japanese trade ministry officials said. Yoshiro Mori, minister of international trade and industry, stressed the importance of the two-day talks, which end Thursday, as a final ministerial-level meeting on global trade talks to be held ahead of the Tokyo summit of the Group of Seven industrial nations in early July, the officials said.

The so-called "quadrilateral" meeting of Canada, the European Community (EC), Japan, and the United States, which follows similar meetings in Toronto in mid-May and in Paris in early June, is aimed at completing a market-access package to slash import tariffs on industrial products and open up service markets, they said. The officials quoted Mori as asking participants for a flexible and positive stance to work out the package.

The discussions are aimed at reaching a consensus on sensitive trade issues to bring to a successful conclusion the nearly seven-year-old Uruguay Round talks, the officials said. The leaders are expected to reach an agreement to abolish tariffs on six items, including paper-pulp, construction machinery, and medical supplies and equipment, they said. Among the overseas delegates are U.S. Trade Representative Mickey Kantor, Canadian International Trade Minister Michael Wilson, and EC Commissioner for External Economic Relations Sir Leon Brittan.

Pacific Enterprise Aid Said Hurting Prospects

*BK2306072693 Hong Kong AFP in English 0114 GMT
23 Jun 93*

[Text] Papeete, June 22 (AFP)—International aid aimed at developing the private sector and creating an enterprise economy on Pacific islands is not succeeding, according to a report to the Pacific Leaders Conference here this week. It says such aid has at best "aided only those already well positioned for private profit and, at worst, (has) weakened the comparative advantages of domestic enterprise."

Researchers Stephen Pollard and Ropate Qalo prepared the report for the Pacific Islands Development Program (PIDP) of Hawaii's East-West Center, the research arm of the leaders' conference. In the last decade, U.S. aid into the Pacific has been aimed at developing local enterprises, rather than governments, but the study claims that current government development policies have "largely failed to stimulate indigenous enterprise, most especially in rural communities where the majority of Pacific people live.

An "economic and social malaise" in the Pacific is the result of "external intervention, including imperfect, though well-intentioned, aid," it says, adding that there has been little local spinoff from most major enterprises in the region, which are controlled from outside and include fishing, tourism and banking. "Little indigenous business has been induced by foreign resource investments other than in the form of small-scale tertiary services in urban areas. Foreign investment has tended to lead to foreign reward with limited local value added to the Pacific island economies beyond formal employment."

The authors also question the belief that government investment is an essential forerunner to private sector investment. "Unfortunately, quite a number of the government investments in these commercial ventures have either failed or at the very least performed badly." The study cited evidence showing the pervasive and detrimental effect of the aid on economies, using in contrast the case of Niue, where a substantial reduction in New Zealand aid led to greater local economic activity and production.

"Aid and subsidies are a very seductive but sometimes misleading means to development that may not lead to development that is sustainable," it said, adding that some enterprises had been hurt by competition from their own governments, while aid was stimulating import dependence and raising wages. The report said most Pacific countries have development banks, funded and assisted by the Asian Development Bank—but that they were not working.

"Creditworthiness has not always been rigorously assessed by the banks, and even the smallest of loan applications can be subject to extraordinary delays in processing," the study said. The report calls for more study on ways of aiding Pacific enterprises.

Japan**Hata Interviewed on New Life Party 23 Jun**

OW2406011593 Tokyo NHK General Television Network in Japanese 1230 GMT 23 Jun 93

[Interview with Tsutomu Hata, representative of the New Life Party, by Yuko Kuniya and NHK Political Department reporter Takayuki Fujimori; from the "Closeup on Modern Times" program—live]

[Text] [Kuniya] Mr. Hata was invited to attend the NHK "Discussion" program on Sunday, 20 June, immediately following the dissolution of the House of Representatives. In that program, Mr. Hata said he could not say anything about the policy of the new party until 23 June. Today, 23 June, the new party—the New Life Party—was established. Together with reporter Fujimori of the Political Department, I would like to ask Mr. Hata a number of questions about those matters he could not discuss before now.

Mr. Hata, thank you for joining us on this program this evening, despite the fact that you must be very busy. For 24 years, you have been engaged in politics, and today, you must have had a most impressive day. Did you sleep well last night?

[Hata] When I arrived home last night, it must have been around 0200 or 0230. Therefore, I must have gone to bed at about 0330. Also, I started to receive phone calls very early this morning. I do not know how many days in a row I have slept no more than two or three hours.

[Kuniya] As a politician, it must have been a day filled with intense emotion for you.

[Hata] Well, never before in my long life have I experienced such an emotional day as yesterday. The action we took, I think, must have been one of the most passionate of actions. Because I have been in charge of various difficult tasks, such as negotiations on rice pricing, I frequently have experienced times when I have had to stay up all night for three or four days in a row. Nevertheless, this was my most passionate experience ever, because we took this action with the idea of reshaping politics in Japan.

[Fujimori] Concerning the establishment of the new party today, can I assume that you must have already formed the idea at the time you made the decision to approve the proposed resolution expressing no-confidence in the cabinet?

[Hata] That is quite true. I think I must have stated the other day that I considered this action when I realized I would have to cast a white vote [to indicate no-confidence]. At that time, I made up my mind that it would be impossible for me to stay in the Liberal Democratic Party [LDP].

In this sense, as I had stated at that time, I felt somewhat sad and alone. Why was it that no genuine reform was

carried out? Why was it that so many efforts were made, but nearly all those who are close to the prime minister failed to have the honest intention to carry out reform? At that time, I asked those from the opposition if they truly intended to submit a no-confidence resolution, and they told me they might be forced to bring up the no-confidence issue.

Moreover, they told me that those LDP members in charge of the issue had consulted with them for some time, but then, nobody made additional contacts with them. In ordinary cases, talks would be conducted among chairmen of the Diet affairs committees, or among the party secretary generals. In turn, a series of meetings would be held. At these meetings, they certainly would be able to seek some points for compromise. Nevertheless, none of these things happened.

[Fujimori] On the contrary, is it not true that considerable pressure, both visible and invisible, or perhaps some sort of squeezing [shimetsuke], was imposed on the members of your group—the so-called Hata faction?

[Hata] Well, I have not heard any reports of such things from anyone. It is true, however, that serious squeezing was imposed on members of other groups. I have heard a number of people talking about acts of squeezing by governors, leaders from the business community, and chairmen of supporters' associations.

[Kuniya] Two new political parties were born this week. The first one was the Harbinger Party comprising people from various LDP factions. In the case of the New Life Party, it is a party which comprises people from only one faction of the LDP. As a result, there are some people who do not have very high expectations for it, believing it will not be much different from the LDP.

[Hata] There are people who say such things, but when the Hata group broke from the Takeshita faction, and when the members asked me to head the group, I told them that if I were to head the group, my policy would be to go all the way with political reforms, and I asked them if they were willing to accept this condition. I agreed to head the group only because all of them said they were willing to accept this condition.

Still, in the beginning, I admit, there was some squabbling—like children fighting to get to the top of a hill.

I also told the members that they must forget about grudges and malice. I told them there was no time for that. I told them that our top priority would be to push forward political reforms. Since then, we have not deviated from this goal.

Moreover, Mr. Ozawa, who once served as general secretary of the LDP, asked me to include fundamental reform of the election system as part of the political reform program.

[Kuniya] Why did you break from the LDP?

[Hata] I think what Prime Minister Miyazawa said about today's political situation is correct. When I take walks, people will stop and say: Look at the political situation. What a mess it is in.

These people are referring to money scandals.

Another point the people raise is that they cannot tell from Diet debates where the government is heading—for instance, from debates on the consumption tax, Gulf war contributions, peacekeeping operations, and so on. Their complaints are that the Diet deliberations fail to reveal the government's true intentions. They say that, if the prime minister fails to recognize and do something about this, he will sink like the Titanic. The people are thinking like this.

Moreover, the general secretary of the LDP was the primary sponsor of the political reform bills. How can people such as the general secretary say things like: There is no reason for haste.

Can a sponsor for a bill say things like: The passing of these bills is like putting a thread through the eye of a needle 100 meters away; or things like: If we win in the House of Councillors election two years from now, we will transform the electoral system for both the upper and lower houses into a system combining a small electoral district system and a proportional representation system.

Japan is not a dictatorial state. Moreover, the reforms are designed to prepare a better foundation for parliamentary democracy. That is the goal of the reforms. How can he say things like: We will only carry out reforms if we win the next election. This kind of talk is very irresponsible.

The ruling party has come to lose sight of Japan's current situation. There was nothing we could do about it. We could no longer remain in a party that was in such a state.

[Kuniya] Therefore, this is why your group bolted from the party. Today, we are soliciting questions from some concerned viewers. We will first take questions from Prof. Yoshiaki Kobayashi of Keio University and Mr. Kazuo Uchihashi, a commentator.

[Kobayashi] I can see that Mr. Hata is more of a man of action than most other people. What I want to ask now is this: What do you intend to do for us, the people? Which points are different from those things other parties want to do? Specifically, where are the differences between your party's policy and the policies of the LDP—or what is left of the LDP—and the Harbinger Party, which was recently formed by Mr. Takemura and his colleagues? We would like to make choices based on policies.

If you become prime minister, it means you will come to govern 31 ministries and agencies. We want to know what policies you intend to pursue in running these ministries and agencies. I would like you to present them to us and make pledges on these policies. In a free democracy, there are choices a nation can make—for

example, whether to recognize the liberalization of farm products or not, whether the Self-Defense Forces should participate in UN forces or not, and so on. We want you to allow us to make choices on each and every policy line.

Japan is a nation that does not hold referenda on these issues. This [election campaign time] is the only time we can make choices. Therefore, it is very important that we learn about different policies and, in turn, the various choices we have.

[Uchihashi] Because your group bolted the ruling party, it is therefore an opposition party. I think a true opposition party must have a social basis different from that of the ruling party. People say there is no longer any need to talk about ideological differences, but there still remain differences in social classes. Also, if we consider the Constitution or the Basic Law on Labor, for instance, there arise differences of views between you and the LDP. There is the question of which interests, groups, and social strata your party will represent. The election campaign may be very brief, but a new political party should reply to this question during such a brief time.

[Kuniya] Mr. Hata, how would you answer the questions of Messrs. Kobayashi and Uchihashi?

[Hata] I understand the two gentlemen's questions. They talk about differences in social strata, policies, and so forth.

We seceded from the LDP because the current situation is not understood by members of the LDP. When we were LDP members, we felt as if we were sitting in lukewarm water. We felt this was not right and hoped the opposition would grow stronger so as to take over power. But that was unlikely. Therefore, we decided to split from the LDP. It is not that we decided to bolt because our fundamental policies are different from those of the LDP.

[Kuniya] But toward which social strata will your party direct its efforts during this brief election campaign?

[Hata] We cannot be concerned with such matters when facing such a brief campaign. What is important now is to gain the understanding of the people so that we may create a parliament where these matters can be dealt with in a truthful manner. We are a brand-new party—a party born just today.

I strongly believe we should not adopt strange policies for the sake of stressing the differences between our party and the LDP. However, what we have to do is... [pauses] For instance, Mr. Clinton said Japan means 'no' when they say 'yes.' Or Mr. Armacost says he was asked by the Japanese to apply pressure on Tokyo. We have to change such things. I want to promote politics which make such changes.

[Kuniya] My question is whether your party will be targeting the same strata of voters as the LDP will be targeting.

[Hata] It is only natural that we target the same type of people. On the other hand, there are people who have not gone to the polls for some time. They have not voted because they did not trust Japanese politics. We must get their votes as well.

Another thing I must say is that we must clearly show to the voters what we intend to do. Another point I want to make is that 48 years—almost half a century—have passed since the war ended, and the ordinances and regulations adopted following the end of the war should undergo a drastic revision. For instance, if someone wants to build a house for himself now, he cannot do it because of so many regulations governing it. Business activities are restricted in many ways as well. For instance, if we take this NHK studio, there are signboards marking emergency exits. They cause a tremendous amount of inconvenience for both performers and the audience. Nevertheless, they are there because of regulations. Things like that need to be corrected.

Another point I want to make is the problem that comes with the central government doing everything. For so long, we have insisted that more government functions should be turned over to local governments. As long as the election system is to be reformed, it should be done in a manner whereby functions of local and central governments are more clearly distinguished, even though affairs relating to security, diplomacy, and foreign exchange should belong to the central government.

[Fujimori] You just talked about security and diplomacy. You are trying to create a new party to take the place of the LDP. Even though your party can cooperate with the Social Democratic Party of Japan [SDPJ] and other parties in terms of political reform issues, do you not think that your party will have to pursue a fundamental policy on matters such as security and diplomacy? What is your view in this regard?

[Hata] I agree that the basic national policy should remain the same. What I want to add is this: We have left the party. Let us say that we have formed a core movement and that we ultimately take over the government in cooperation with other parties and groups. When this happens, it will happen after countless other changes have taken place in the thinking of other political parties, especially now that the cold war is completely gone.

If a new government really comes into being, the government simply cannot say it will discard all the policies of the past governments. Continuity of a basic policy line is demanded both nationally and internationally.

After the cold war, the parties changed their views a lot. I am sure we can reach an agreement with the SDPJ on fundamental policies—for example, security issues, diplomacy and energy issues. Some people speak loudly about possible problems in this regard, but I do not foresee such problems.

[Fujimori] That means that even the SDPJ will have to change.

[Hata] I think the party will also have to change in reality. Trade unions have changed already.

[Kuniya] I would like to ask you another question. You said your party, in the forthcoming election, will target the same category of voters as the LDP, and Mr. Kobayashi touched on the rice market liberalization question and the peacekeeping operations [PKO] issue. I recall Mr. Ozawa, now with your party, previously said very clearly that Japan's rice market should be opened, and that even where the PKO issue is concerned, Japan should make more positive contributions toward it by participating in PKO enforcement troops. Mr. Hata, you have no differences of view with Mr. Ozawa in that respect?

[Hata] I had different views on that even while I was in the LDP.

[Kuniya] You are now in the same party.

[Hata] We were in the same LDP, and there were many other people there with many other views as well. Of course, Mr. Ozawa has not said he wants to hold a news conference to clarify his stand on that question, but still, I want to note that I had a different view on that question from that of Mr. Ozawa.

My belief is that it is desirable that Japan remain a small country. If possible, it should persist in remaining a one-nation pacifist state. But Japan has to depend on other countries for natural resources as well as energy resources. Japan has become what it is today by processing these resources into products for sale throughout the world.

This generation of Japanese has a responsibility to hand over an intact country to the next generation.

That being the case, what I think Japan must do is define clearly the types of activities where it will do its part in contributing internationally. "In the past, Japan was told by other countries to do this or do that. Japan followed the decisions of the United States and Europe. At one time Japan said it would make only financial contributions. Times have changed, and we now need to clearly announce what we want to do, otherwise Japan will be isolated in the international community."

You understand the word—isolation—well, since you have spent some time overseas. If isolationism really gets started in this country, which has no natural resources, it will be like a man falling off a cliff. Japan will be ruined if that happens.

[Kuniya] Before casting their ballots, voters are concerned whether Mr. Hata favors opening Japan's rice market.

[Hata] As for the issue of opening Japan's rice market, I have discussed this with Mr. Fujimori many times in interviews with NHK. NHK itself believes that the

Uruguay Round negotiations discuss nothing but the rice issue. Nevertheless, other negotiating nations at the Uruguay Round talks also face difficulties. I myself have met with negotiators from other nations, as well as GATT Director General Arthur Dunkel, to discuss the issue of opening Japan's rice market. Mr. Ozawa and I have never spoken of opening the rice market. Nevertheless, I believe that Japan cannot refuse to comply with the requests from other negotiating nations, nor refuse to discuss these requests at the Uruguay Round in which more than 100 nations are participating. I think it is important for Japan to positively comply with requests from other negotiating nations and to clarify what it can do in specific areas of trade.

[Kuniya] Next, I would like to give commentator Makoto Sasaka a chance to ask his questions.

[Sasaka] Mr. Hata of the New Life Party and Mr. Ozawa, a powerful leader in Japanese politics, were influential members of the LDP's Takeshita faction. There was a connection between the Takeshita faction and the Sagawa Kyubin scandal, and I think that this connection should be cleared up. I do not think that either Mr. Hata or Mr. Ozawa have ever clarified their positions on this connection in a way that has been fully understood by the people. Although Mr. Ozawa may insist that he fully explained his knowledge of the scandal when he testified before the Diet, the people still have doubts about his testimony. In his testimony to the Diet, Mr. Ozawa, a key player in the Takeshita faction, said he knew nothing. I do not think that either Mr. Hata or Mr. Ozawa have unequivocally outlined the points on which they differ and those on which they agree.

[Hata] I have been asked this same question many times. Both I and Mr. Ozawa broke from the Takeshita faction after concluding that nothing could be done if major issues were left unresolved under the current political system. Recently, we agreed to form a new political party on our own. We broke from the old political system after concluding that nothing could be done if the old political system remained as it always had. We believe that it is not enough for politicians to simply apologize and say they will do some soul-searching.

Our action marked a major watershed for Japanese politics. We took the action with full understanding that it could lead to the dissolution of the House of Representatives. No politician has ever resolutely moved and taken such action. We believe that our action marked a major turning-point in Japanese politics. As for differences between Mr. Ozawa and myself, in Japan like other nations, nothing can actually be done if politicians share the same view. Mr. Ozawa maintains clear-cut political beliefs. Some Americans accept some aspects of his political belief.

I believe politics are practiced by individual politicians. I do not agree with the notion that we must share the

same views on everything. It has been said that although Mr. Ozawa and I do not always agree, we often agree on our final decisions.

[Kuniya] Mr. Ozawa assumed the post of secretary general of the New Life Party, or your party's No. 2 post, but he was absent from today's news conference. I was surprised by his absence.

[Hata] You say you were surprised by his absence. Do you know what time it is now?

[Kuniya] Now?

[Hata] Now we are waging an election campaign. We have just formed a new political party. We are now looking for candidates who will run in a general election on our party's ticket. In general, the appearance of both the chairman and the secretary general of a political party is a rare occurrence at a news conference.

[Kuniya] I asked this question because the people still harbor a prejudice against Mr. Ozawa.

[Hata] If the people harbor prejudice against Mr. Ozawa, he should have a sense of mission to listen to this prejudice. I see no problem, even if the people do indeed harbor such a prejudice against him. I do not deny the people's prejudice against him, and I have said this many times. I would like to ask the people: Why do you harbor this prejudice against him? Mr. Ozawa and I are trying hard to alter the old political system and to create a new political system. I think the people will understand how hard we are working.

[Kuniya] Former LDP Vice President Shin Kanemaru has been indicted on charges of evading 1.185 billion yen in income taxes. Meanwhile, you and Mr. Ozawa carried out political activities under Mr. Kanemaru's leadership. Now, what do you think about this?

[Hata] I knew nothing at all of Mr. Kanemaru's amassing of wealth. When we worked together, I keenly felt that Mr. Kanemaru was an ordinary person. When Mr. Kanemaru and I discussed matters concerning income taxes, he told me that ordinary citizens had mentioned this point or that point, adding that we had to change the Income Tax Law after taking their concerns into account.

It is true that I got along well with him. As for his tax evasion, which you have just mentioned, we cannot accept it, and we would like to apologize for his tax evasion. Our apology alone is not enough, and his tax evasion had occurred four or five years before we embarked on political reform. I think we should change the old political system to prevent this kind of tax evasion.

Politicians should join us in pushing for political reform at the risk of losing their constituencies, and the people are fully aware of this. If the current electoral system is reformed, many politicians, including myself, may lose

their seats in the Diet. Some junior lawmakers are pushing for political reform at the risk of losing their seats in elections.

[Kuniya] This question may concern personal affairs. Former Prime Ministers Tanaka and Takeshita resigned in disgrace. Mr. Hata, have you ever thought about giving up your political activities?

[Hata] Every day I think about giving up my political activities. I have never derived pleasure from political activities. In the past, I continually refused to join the political world. Once, I even refused to run in elections. I joined the political world after discarding a quiet life. I should have chosen the career of a salary man. Reflecting on my career, I now think I was reckless. Now that Japan has grown into a nation that draws worldwide attention, I have no choice but to say that politicians must stop sticking to the old political system. We will push for political reform while urging other politicians to stop sticking to the old political system.

[Kuniya] General elections are set to be held on 18 July. Mr. Fujimori, would you ask Mr. Hata about the general elections?

[Fujimori] Many junior lawmakers and new candidates in the New Life Party will run in the general elections, and they will be forced to run in the general elections under a constituency system that requires candidates to spend a lot of money. Mr. Hata, how are you going to deal with the upcoming elections?

[Hata] We will have to lend money to one another to run in the general elections. Many young candidates will run in the upcoming elections on our party's ticket, and they have joined forces to push for political reform. These are not people who joined our party merely to run in the general elections. I think that almost all of the people in the Takemura group share my view, and young people in the LDP also share my view. I think these people will not need a lot of money for their campaigns. They will wage their campaigns with the help of volunteers.

[Fujimori] I think a special session of the Diet will be convened immediately following the general elections to name a new prime minister. What sort of scenario do you have in mind for rebuilding the current political party structure to replace the LDP as a ruling party?

[Hata] We will have to consider this scenario after the general elections. As I said a while ago, we will have to postpone shaping our major basic policies for the time being. I believe that if the people realize that our party can take the reins of government, and if traditional politics in Japan can be changed when our party does take the reins of government, we can deal fully with the issue of rebuilding the current political party structure.

[Kuniya] Voters will be hesitant to cast their ballots for candidates fielded by your party if they do not know in advance with which political forces your party will ally itself.

[Hata] You are right. I can work with people who really want to bring about reform. As I said earlier, there are no major differences in fundamental policies, and I think we will be able to discuss with the reformist political forces how to finalize details of these fundamental policies. I think the current political system in our nation should be changed. As Mr. Miyazawa has said, if the current political system is left unchanged, Japan will sink as the Titanic sank. I believe we will be able to establish a stable political system during the course of changing the current system.

[Kuniya] Before concluding this interview, I would like to ask one final question. Which party do you see as the major rival to your party?

[Hata] At this point in time, we have to confront the LDP. We also should confront the Japan Communist Party.

[Kuniya] Thank you for finding time in your busy schedule to join us.

LDP Reformists Establish Groups, Favor Kaifu

*OW2306150593 Tokyo NHK General Television
Network in Japanese 1021 GMT 23 Jun 93*

[Text] Reform-minded members of the Liberal Democratic Party [LDP] formed a parliamentary league to promote political reform today. They agreed that reformists within the LDP should unite under the leadership of former Prime Minister Toshiki Kaifu to win the upcoming general elections. Ninety-two former lower house members or their proxies and 10 former upper house members attended the inaugural meeting. The meeting adopted a statement which says that the group will pursue political reform and reform of the LDP. The statement says that the entire LDP is not against political reform.

[Begin Kaifu recording] It is not true that only people who have left the party are eager to achieve political reform. The inauguration of the league shows that there are many people within the LDP who are committed to reform. The members of the league are united by the common goal of political reform, and I am calling on the members to keep the flame burning. [end recording]

The league will issue letters of recommendation to 83 members who participated in today's meeting. It will also send senior members to support election campaigns by its members.

[Begin Kakizawa recording] By setting up the league, the members are making a public promise to pursue political reform if they are reelected. We think it is important to make such a promise. [end Kakizawa recording]

[Begin Nozue recording] Since I am in a position to play an active role in the league, I have been calling for Prime Minister Kiichi Miyazawa to resign and asking the three

top LDP executives to take responsibility. The league, however, has decided to wait until the election is over. [end Nozue recording]

Younger reform-minded members of the LDP set up a group to promote political reform today. They will call on other party members to join them. In a statement released today, the group said it plans to make proposals on how transparency of political donations can be developed and on electoral reform. The group hopes to achieve a membership of about 100.

At a factional meeting today, Keizo Obuchi, leader of the Obuchi faction, said that the opposition parties, including the party led by Tsutomu Hata, should make clear what kind of electoral system they hope to introduce. Obuchi said that the recent dissolution of the lower house was the result of electoral system debate. He then severely criticized the Hata faction for creating turmoil within the LDP because of its undetermined attitude on ways to achieve electoral reform.

Spokesman Criticizes Hata's 'New Life' Party

OW2406052293 Tokyo KYODO in English 0453 GMT 24 Jun 93

[Text] Tokyo, June 24 KYODO—Chief Cabinet Secretary Yohei Kono Thursday lashed out at the newly formed Shinseito political party led by ex-Finance Minister Tsutomu Hata, slamming the "reformers" for past links to money-consuming politics.

Alluding to the past intimate ties between Ichiro Ozawa, co-leader of the Shinseito (New Life Party), and his mentor disgraced former ruling Liberal Democratic Party (LDP) powerbroker Shin Kanemaru, Kono suggested that the public is being duped by the party's pledges of reform. "There is almost no difference in policy from the LDP, but they say they are new, they are the most enthusiastic about political reform," Kono told a regular news conference. "What needs to be reformed is their own constitution," Kono said in a lengthy and vitriolic attack on his former political allies.

Prime Minister Kiichi Miyazawa echoed Kono's view to reporters, saying "I think there are many people in the world who share the view."

Kono attributed the popularity of the Shinseito in recent polls to extensive coverage by the media, but he said voters know little about the new party. It is highly unusual in Japan for a government spokesman to publicly criticize other political parties.

Hata, joined by 43 other former members of the LDP, broke off from ruling party this week after helping pass a no-confidence motion against the government of Prime Minister Kiichi Miyazawa last Friday. A snap election is to be held on July 18.

Kono also criticized the Social Democratic Party [SDP] for apparent opportunism displayed by its contemplation of linking up with the Shinseito in order to form a

coalition government after the general elections. Pointing out that Ozawa has openly favored a more active international role for the self-defense forces, Kono questioned the dovish SDP for voicing support without first examining the Shinseito's policies.

The 44-member Shinseito has yet to unveil a foreign policy platform. But member Shigeto Nagano of the House of Councillors said after the party was launched Wednesday that he hoped to expand the interpretation of the war-renouncing Constitution and pick up the pace on Japan's international contributions.

Kono accused Hata and his followers of being irresponsible for splitting off shortly before the July 7-9 Tokyo summit. "They were certainly aware that the confusion before (the summit) would create a poor impression to the rest of the world," he said.

Hata Rebuts Criticism of Party

OW2406150193 Tokyo NHK General Television Network in Japanese 1002 GMT 24 Jun 93

[From the "NHK News 7" program]

[Text] Tsutomu Hata, leader of Shinseito, spoke with reporters this afternoon after a meeting with Prime Minister Kiichi Miyazawa.

[Begin Hata recording] The Liberal Democratic Party [LDP] has been making only slanderous remarks. The party should be asked to take responsibility for proposing political reform and then abandoning it. However, it is now up to the voters to decide. [end Hata recording]

That was a comment by Hata responding to LDP criticism against Shinseito.

In separate meetings today, Hata agreed with four opposition parties to try to work together to establish a government to replace the LDP. In a series of meetings, Hata called on the opposition leaders to work with his party to establish a government to replace the LDP. He also said he hopes to have a frank exchange of views because the people want the new government to continue to pursue the basic policies of the current government. Sadao Yamahana, chairman of the Social Democratic Party of Japan [SDPJ], said the most important thing is to end the LDP rule and change politics. He called on Hata to compete in the election so that the LDP does not have a majority.

Komeito Chairman Koshiro Ishida said reformist forces should unite so that the core of the new government to replace the LDP can be formed. He said that the reformist forces should spell out their plan for political reform and the new government should pursue basic policies of the current government.

Keigo Ouchi, chairman of the Democratic Socialist Party [DSP], said that a coalition government should be formed after the general elections. He said that when

parties form a coalition government, they should not only agree on the way of pursuing political reform but they should also form a general agreement on such basic policies as foreign affairs and measures to tackle the economic slowdown.

Satsuki Eda, head of the United Social Democratic Party [USDP], said that a change of government is now possible following the breakup of the LDP. He said he hopes to form a government that pursues the current government's policies, including international contributions, so that the people can place their trust in the new government.

At a news conference in Miyazaki City today, DSP Secretary General Takashi Yonezawa said that he wants to form a liaison committee comprising all opposition parties, including Shinseito, as early as next week. Saying that the upcoming lower house election will put an end to LDP rule, Yonezawa argued that all opposition forces from former LDP members to radical socialists must work together. He said that he hope a loose liaison committee will be formed along with opposition parties as early as next week.

Yamagishi Proposes Opposition-New Parties Talks

OW2406041093 Tokyo KYODO in English 0356 GMT 24 Jun 93

[Text] Tokyo, June 24 KYODO—The leader of Japan's largest trade union confederation on Thursday proposed holding a meeting between leaders of opposition parties and newly formed party forces to discuss cooperation in the July 18 election for the House of Representatives.

Akira Yamagishi, president of the Japanese Trade Union Confederation (Rengo), said at a meeting of the Rengo Election Measures Committee that he wants to hold the meeting on July 3, a day before the official campaign for the general election begins.

He said the eight-million strong Rengo would maintain friendly relations with the 13-month-old Japan New Party (JNP) and newly formed Sakigake (literally Harbinger) and Shinseito (New Life Party) to realize cooperation on a wide range of policies and on the upcoming election.

Yamagishi proposed a meeting between Morihiro Hosokawa, the JNP leader, Masayoshi Takemura of Sakigake, and Tsutomu Hata who heads Shinseito, in addition to the opposition leaders—the Social Democratic Party [of Japan], Komeito, Democratic Socialist Party, the United Social Democratic Party, and the Democratic Reform Party. The Rengo leader indicated that Hosokawa, Takemura and Hata have already agreed to the proposed meeting.

Takemura and nine former legislators from the ruling Liberal Democratic Party (LDP) formed Sakigake on Monday. Hata, 57, the former finance minister,

launched Shinseito on Wednesday with 43 LDP defectors. The formation of the two parties came within a week after LDP rebels helped pass a no-confidence motion against the government of Prime Minister Kiichi Miyazawa filed by three opposition parties.

Yamagishi said a coalition by non-LDP forces after the general election will not function solely on the grounds of political reform.

"It is very important that each party's views coincide on the nation's basic policies," he said. "We have to make clear to the voters that even if the government changes, we will succeed the diplomatic and defense policies of the previous administration," he said.

Hata, Yamahana Agree on Coalition Government

OW2406072793 Tokyo KYODO in English 0650 GMT 24 Jun 93

[Text] Tokyo, June 24 KYODO—The leaders of the top opposition party and a breakaway from the Liberal Democratic Party (LDP) agreed Thursday to eclipse the LDP's majority in the upcoming general election and form a coalition government, officials said. Sadao Yamahana, chairman of the Social Democratic Party [of Japan], and Tsutomu Hata, leader of the newly founded Shinseito (New Life Party), reached the accord in a meeting, they said.

Hata, a former finance minister, and 43 other LDP defectors formed Shinseito on Wednesday.

The House of Representatives was dissolved last Friday after an opposition no-confidence motion against the government of Prime Minister Kiichi Miyazawa was passed with the help of rebel Liberal Democrats. The election is set for July 18.

"Let us compete with each other in the general election and realize an eclipse of the LDP majority (in the lower house)," Yamahana was quoted as saying. "It is important to forge a coalition to replace the LDP government."

Hata replied, "To produce a non-one-party rule, it will work well if we suppress our insistence on each other."

Hata later held meetings with other opposition leaders—Koshiro Ishida, chairman of No. 2 opposition Komeito, Keigo Ouchi, chairman of the Democratic Socialist Party, and Satsuki Eda, leader of the United Social Democratic Party.

Hata reached agreement with Ishida to continue consultations for blue print on political reform toward the formation of a coalition government, party officials said.

Hata told Ouchi that his party hopes to form a coalition government if a broad framework agreement can be reached.

Muto Retracts Criticism of Russian Fund

*OW2406113493 Tokyo KYODO in English 1120 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—Foreign Minister Kabun Muto on Thursday formally retracted his criticism that a U.S.- proposed 4 billion dollar privatization fund for Russia was outrageously oversized and likely to be drastically scaled back at next month's Group of Seven (G-7) summit. Muto told reporters it was improper for him to tell a seminar on Tuesday that the size of the proposed fund to help Russia privatize its state-run enterprises would be shrunk to "around 500 million dollars or a bit lower."

He emphasized that no agreement has yet been reached on the matter between the G-7 countries—Britain, Canada, France, Germany, Italy, Japan, and the United States. The G-7 leaders meet in Tokyo on July 7 to 9 for their annual summit.

Muto said that due to last week's dissolution of the Diet, he was in an election mind-set and over excited when he told the seminar that last April he rejected the proposal for a 4 billion dollar fund as "tondemonai." The Japanese expression can alternately be translated as "silly," "preposterous," "outrageous," or "out of question." Muto said his choice of words was "not elegant" and vowed to use "more noble" language in the future.

Taken together, Muto's widely reported remarks led the U.S. State Department clarification from the Japanese Government. [sentence as received]

Muto told reporters he regretted the remarks had created "misunderstanding" in the United States and said he was formally retracting them.

Earlier Thursday a Foreign Ministry official Yoshiki Mine told a gathering of foreign correspondents, "I do not think there has been any agreement so far about how much money are we to amass to help out Russia's privatization or whether it should take the form of funds or not."

Mine, deputy director general of the ministry's Economic Affairs Bureau, said there has only been an agreement ahead of the summit on "the need to consider setting up several specific programs for supporting Russia's privatization."

He said seven "sherpas," or the personal representatives of the G-7 leaders, would meet again before the summit to discuss the matter in further detail and that some sort of agreement is likely to be reached at the summit itself.

Muto on Tuesday said Japan, troubled by a territorial dispute with Russia, would not pledge any new money for a fund. He also expressed doubt that huge amounts of money alone could effectively facilitate the privatization process in Russia.

On Thursday, he reaffirmed that Japan is concerned about the need to educate managers in the workings of the free market system.

Tokyo on Plan To Request German Rate Reduction

*OW2406105393 Tokyo KYODO in English 1031 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—A senior Foreign Ministry official repeated Thursday Japan's intention to ask Germany to reduce its interest rates to prop up the world economy at the Group of Seven summit in Tokyo early next month. "There is room for Germany to reduce its interest rates," said Yoshiki Mine, deputy director general of the Foreign Ministry's Economic Affairs Bureau.

In a press briefing, he said, "other nations will probably express their expectations" of Germany at the July 7-9 summit, noting the others have substantially reduced their rates after agreeing to do so in previous summits.

Foreign Minister Kabun Muto, speaking at a symposium Thursday, said, "It is necessary to bring them (German rates) down in light of international policy coordination."

Mine said Germany has been reluctant to lower its rates because of inflationary fears, although it is well aware of the need for rate reduction. He also repeated that Japan will strongly reject calls by other summit participants to implement additional fiscal measures at home.

Nonlife Insurance To Allow Foreign Members

*OW1706210993 Tokyo KYODO in English 1032 GMT
17 Jun 93*

[Text] Tokyo, June 17 KYODO—Japan's nonlife insurance industry organization will accept foreign competitors operating in Japan as its members, industry sources said Thursday. The Marine and Fire Insurance Association of Japan will revise its charter by the end of the current fiscal year ending next March to allow foreign nonlife insurers to join, the sources said.

The decision follows pressure on Japan from the United States to open its nonlife insurance market to foreign competition. Currently, foreign nonlife insurance companies that are not headquartered in Japan have their own association.

Ko Matsukata, president of the association, urged U.S. nonlife insurance companies to step up efforts to make inroads into the Japanese market. Matsukata, who is president of Mitsui Marine and Fire Insurance Co., made the remark in connection with U.S. demands that Japan remove barriers obstructing foreign nonlife insurances from entering its market.

Japan runs a deficit on international transactions of nonlife insurance services, he said.

Steel Firms Plan Increase in U.S. Production

*OW2306081593 Tokyo KYODO in English 0754 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—Japan's steel manufacturers, faced with a U.S. decision to levy anti-dumping duties on steel imports, are planning to shift some steel production to the United States, industry sources said Wednesday. Coated steel sheet and cold rolled steel sheet, two of the steel products cited in the U.S. Commerce Department's final ruling, are among the products that will be affected, they said.

The U.S. Commerce Department said Tuesday that foreign steel was sold at below fair prices and set import duties to account for unfair pricing.

The duties would take effect later this year if the U.S. International Trade Commission finds that the imports materially injure or threaten to damage the American industry.

Japanese steel industry officials have said their products do not injure or damage U.S. steelmakers because the products are not produced by the U.S. manufacturers.

Japan's steelmakers said their position has not changed, but the yen's sharp appreciation and the startups of U.S. factories make it better to produce these products in the U.S. rather than ship them from Japan. "Economically a 20 percent appreciation of the yen has the same impact as anti-dumping duties," said an official at Sumitomo Metal Industries Ltd.

Japan's major steel makers have been stepping up U.S. production bases since the 1980s, giving them the ability to provide coated steel sheets locally.

Spokesman Reacts to U.S. Decision on Steel

*OW2306062793 Tokyo NHK General Television
Network in Japanese 0306 GMT 23 Jun 93*

[From the "NHK News" program]

[Text] In connection with the U.S. Commerce Department's decision on the dumping of foreign steel products on the U.S. market, Chief Cabinet Secretary Yohei Kono today said Japan has not concluded that exports of Japanese steel products have hurt U.S. steelmakers. Kono indicated Japan's intention to continue to seek U.S. understanding by explaining Japan's position on the issue. Kono made these remarks at a regular news conference following this morning's cabinet meeting.

At the news conference, Kono stated: Because Japanese steel products are being exported to the United States under a voluntary restraint agreement, we do not perceive that Japanese products have damaged U.S. steelmakers. The U.S. International Trade Commission will decide whether the U.S. steel industry has actually been

hurt by exports of Japanese steel products. We hope the commission will come to a fair decision in the case based on Japan's claim.

Meanwhile, on 22 June, EC Commission official Leon Brittan said the United States is trying to sacrifice steel plate products from Europe and other countries in an effort to turn attention away from various problems within the U.S. steel industry. In this way, he expressed his strong criticism of the U.S. ruling, saying the EC could not accept the decision.

Tokyo Urged To Lift Import Ban on U.S. Apples

*OW2306075193 Tokyo KYODO in English 0730 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—The United States wants Japan to lift its import ban on American apples, U.S. Trade Representative Mickey Kantor told the Japanese farm minister on Wednesday. Kantor, who is in Tokyo for a two-day trade meeting with trade officials of Canada, the European Community and Japan, made the U.S. stand clear in a meeting with Agriculture, Forestry and Fisheries Minister Masami Tanabu.

The U.S. trade negotiator called for Japan's removal of import tariffs on forestry products for an early conclusion of the stalled Uruguay Round of multilateral trade talks, Japanese officials said.

Kantor then took up the issue of Japan's import ban on apples from the U.S. as a bilateral trade problem, the officials said. Tanabu said that Japan is currently banning imports of apples from America because of technical problems and that the issue is not political matter, they said.

As for tariff removal, Tanabu pointed out that the U.S. and Japan agreed in 1990 on import tariffs on forestry products in bilateral talks, rejecting the U.S. demand, the officials said.

Tanabu Urges Foley To 'Understand' Apple Ban

*OW2306120293 Tokyo KYODO in English 1146 GMT
23 Jun 93*

[Text] Tokyo, June 23 KYODO—Farm Minister Masami Tanabu sent a letter to U.S. legislator Thomas S. Foley of Washington state calling on Americans to understand Japan's position with its ban on U.S. apple imports, ministry officials said Wednesday.

The officials also said Tanabu, minister of agriculture, forestry, and fisheries, will send a Japanese quarantine mission to Washington later this week to make an on-site inspection of disinfection procedures of apples.

In the letter to Foley, speaker of the House of Representatives, Tanabu repeated Japan's stand that the existing ban on imports of U.S. apples stems merely from technical matters.

The mission's trip is in line with an accord reached in bilateral negotiations held in Washington June 7-9, the officials said. They said the inspection will center on the effectiveness of insecticides used in the United States.

U.S. Official on Trade Surplus With Tokyo

*OW2406102893 Tokyo KYODO in English 1019 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—A senior U.S. administration official said Thursday he has identified a number of indicators such as market shares and foreign investment in Japan to monitor progress in reduction of its bulging current account surplus.

The official said other indicators include the growth of imports, the extent of foreign investment in Japan and relative prices both here and abroad of particular goods. These indicators would be used as part of "multiple benchmarks" that the United States has proposed under trade framework negotiations with Japan, he said, speaking on condition of anonymity.

The official made the remarks during a break from the framework negotiations and preparatory talks on the July 7-9 Tokyo economic summit. The negotiations call for addressing Japan's current account surplus and penetration of foreign products and services into the Japanese market.

"In the demand-sort world, Japanese surplus is particularly a large problem," the official said. "It means that Japan is sacking up demand which would otherwise create jobs in other parts of the world."

The U.S. is calling on Japan to carry through on previous commitments to reduce its current account surplus to "well below 2 percent" of gross domestic product, the official said. He said the U.S. anticipates "profound progress" through the proposed framework approach and complimentary steps "in the next several years."

"We are trying to unmanage trade," he said, dismissing allegations by Japanese officials that President Bill Clinton's administration is pursuing a policy of managed trade.

The U.S. is trying to use the multiple benchmarks to expand exports of supercomputers, auto parts and other products to help narrow the trade imbalance between the two countries. It is also asking Japan to ease regulations for financial services.

The official said Washington wants to use the benchmarks to monitor results, but "not in the spirit of hair-trigger retaliation based on single industry."

As part of a Japanese campaign to correct the ballooning external imbalance, the official said the United States expects Japan to take additional fiscal measures to stimulate domestic demand. Stressing the need for Japan to achieve consumption-led growth, he suggested Tokyo

implement a "substantial" fiscal stimulus package. He declined to say how big it should be.

He dismissed fears of inflation from such a package, saying, "The risk of overheating the economy seems to be at least several years away." The official said Japan's bubble economy in the late 1980s was caused in part by highly restricted monetary policy and tight fiscal policy.

Miyazawa To 'Strive' for Accord in U.S. Talks

*OW2406030993 Tokyo KYODO in English 0250 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—Prime Minister Kiichi Miyazawa pledged Thursday that Japan would strive for an agreement at weekend talks with the United States aimed at developing a new framework for bilateral trade issues, a Foreign Ministry official said. "Let's make efforts to reach an agreement," Miyazawa was quoted as telling U.S. Trade Representative Mickey Kantor during a 20-minute meeting at the prime minister's official residence.

Senior officials from Japan and the U.S. are to meet here Sunday to work out a new framework for economic relations. Japan is strongly opposed to a U.S. proposal to establish numerical targets to address the mounting U.S. trade deficit with Japan.

Kantor is in Tokyo to attend a two-day quadrilateral meeting of trade ministers from Canada, the European Community (EC), Japan and the U.S. on the Uruguay Round of global trade talks. He called for Japan's cooperation in reaching an agreement on market access, the Foreign Ministry official said.

Miyazawa expressed optimism that an agreement on market access could provide the momentum to wrap up the stalled Uruguay Round by the year-end, the official said.

Tokyo Reiterates Stand on U.S. Steel Charges

*OW2406033493 Tokyo KYODO in English 0314 GMT
24 Jun 93*

[Text] Tokyo, June 24 KYODO—Japan will take its dispute over a U.S. decision to levy dumping duties on Japanese steel to the General Agreement on Tariffs and Trade (GATT) if the penalties are implemented, a government source said Thursday. The case must be settled "under international trade rules if the duties are finally levied," the source said, speaking on condition of anonymity.

The U.S. Commerce Department ruled Tuesday that steel imports from 19 countries, including Japan, are being sold at unfairly low prices in the United States. It imposed dumping duties of up to 40.19 percent on Japanese products. The U.S. International Trade Commission is expected to make a final determination by July 27 on whether the imports are hurting U.S. steel-makers, after which the duties would go into force.

Other countries cited in the Commerce Department's ruling, including South Korea and Britain, have said they might take the case to a panel of GATT, the world trade watchdog.

Tokyo Pressured To Remove Tariffs on Lumber

OW2306071793 Tokyo KYODO in English 0708 GMT 23 Jun 93

[Text] Tokyo, June 23 KYODO—Japan has come under growing pressure from the United States and Canada to remove tariff on forestry products, Japanese Government sources said Wednesday. The sources said the European Community has also shown signs of siding with the U.S. and Canada on the issue.

The development arose in the course of market access negotiations under the Uruguay Round of world trade talks during which Japan set forth a compromise proposal offering to lower tariffs on forestry products by more than 50 percent, they said.

In the spring of last year, Japan offered to cut tariff rates by an average 47 percent in accordance with a bilateral accord reached with the U.S. in 1990. The agreement called for Japan to slash tariffs on products with high U.S. interest by more than one third and implement a wider tariff cut on products with tariff rates exceeding 8 percent, the sources said.

Washington, however, rejected the Japanese offer and demanded the total abolition of tariffs, saying the situation has changed since the agreement was reached three years ago, they said.

Warrant Issued for Japanese Red Army Member

OW2206060993 Tokyo KYODO in English 0543 GMT 22 Jun 93

[Text] Tokyo, June 22 KYODO—Police on Tuesday obtained an arrest warrant for a Japanese Red Army member who was allegedly involved in a 1975 hostage drama at the U.S. Embassy in Malaysia.

The suspect, Haruo Wako, 45, is wanted for alleged unlawful detention and attempted murder, and a worldwide search through the International Criminal Police Organization (Interpol) will be launched soon, police said.

An arrest warrant for another suspect in the hostage case, Junzo Okudaira, 44, was issued earlier. The measure appears to be in line with police efforts to prevent extremist and terrorist activities ahead of the July 7-9 Tokyo summit.

In a recent statement, the Japanese Red Army declared war on the U.S.-proclaimed "New World Order" and harshly attacked Japan's participation in United Nations peacekeeping operations in Cambodia.

Wako and Okudaira were among a group of five Japanese Red Army members who seized a building housing the U.S. and Swedish embassies in the Malaysian capital

of Kuala Lumpur in August 1975. They took some 50 hostages including the U.S. consul and the Swedish charge d'affaires, demanding the release of several persons imprisoned in Japan.

In response to the demands, the Japanese Government released Kunio Bando, 46, a jailed member of the United Red Army, and four other prisoners in exchange for the hostages. The five Japanese Red Army terrorists and the five released prisoners were flown to Libya aboard a Japan Airlines (JAL) plane.

Bando was later reportedly involved in the hijacking of a JAL aircraft over India in September 1977. The hijackers got 6 million dollars ransom from the Japanese Government and secured the release of six more prisoners from jail in Japan.

Miyazawa Urged To Pass Windfall to Consumers

OW2306122093 Tokyo KYODO in English 1021 GMT 23 Jun 93

[Text] Tokyo, June 23 KYODO—The government should seek the lowering of electricity and gas rates and the prices of imported goods to reflect the yen's surge, an advisory panel told Prime Minister Kiichi Miyazawa on Wednesday.

Members of the price stabilization council told Miyazawa the price cuts are necessary to help narrow the difference in prices of similar goods between Japan and other countries. But Miyazawa said the yen's appreciation so far has not brought enough foreign exchange gains to allow a cut in utilities rates.

"If foreign exchange gains emerge, they should be passed onto (consumers), but a little more time is needed because the outlook for exchange rates remains uncertain," Miyazawa said.

North Korea

Delegate: Human Rights Should Not Be Politicized

SK2406105193 Pyongyang KCNA in English 1020 GMT 24 Jun 93

["A Human Rights Problem Must Not Be Used for Political Purpose: Leader of DPRK Delegation"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—"We maintain that if the human rights problem is to be solved smoothly worldwide, it must not be used for a political purpose in any case," declared Paek In-chun, vice-chairman of the Supreme People's Assembly, who is heading the delegation of the Democratic People's Republic of Korea, in his speech at the World Conference on Human Rights.

He said the problem of human rights of the citizens in each country is a matter to be solved by each sovereign state on its own responsibility, not by any supernatural means.

"The international community must reject such violation of sovereignty as the case that some countries put political pressure on other countries falling out of their favor, economically blockade them and militarily interfere in their affairs under the pretext of 'defence of human rights,' and it must strictly adhere to the principles of the equality and respect of sovereignty," he said.

Holding that the attempts to abuse international legal and institutional levers or make such things for the purpose of putting unreasonable pressure on sovereign states and interfering in their affairs must also be rejected, he said the application of "double standard" pursuing a political purpose must not be allowed in the human rights problem.

He continued:

"If human rights are to be fully ensured on a national and world scale, the rights and basic freedom of people must not be confined to being stipulated and defended by law but be substantially exercised and enjoyed.

"The priority in the settlement of the human rights problem should be set in conformity with the historical and cultural features of each region and country and the stages of their development.

"Now some countries and groups of countries are claiming that their concept of human rights, view of value, social system, etc. are the 'almighty standard' that must be applied universally and trying to force them on other countries. On those countries that refuse to accept them they are putting pressure, while willfully judging and slandering their political system and situation of human rights.

"The defence and promotion of human rights in the true and intrinsic sense of the word is realised not by an 'instruction' or 'pressure' from outside forces but by the politico-economic system and law chosen by each country and its people. So, nobody is entitled to act 'judge' in the human rights problem.

"If the human rights problem is to be fully solved on the national and world scale, genuine democracy must be realised.

"The DPRK will faithfully discharge its international obligation as a member of the international community to positively contribute to respecting human rights and basic freedom and defending and promoting them on a worldwide scale."

Military Attaches to Embassies Visit Panmunjom

*SK2406044893 Pyongyang KCNA in English 0436
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—The military attaches of foreign embassies in Pyongyang visited Panmunjom on June 22.

The guests went round the room of the armistice talks and the conference room of the Military Armistice Commission, listening to an explanation about the brilliant victory won by the Korean people and the People's Army in the fatherland liberation war.

They also saw the concrete wall built in the area South of the Military Demarcation Line.

Yin Guangtao, military attache of the Chinese Embassy, said that the great leader of the Korean people President Kim Il-song, the Workers' Party of Korea and the DPRK Government have put forward a number of reasonable proposals for the independent and peaceful reunification of the country and have striven to carry them into practice. He expressed the belief that the day would surely come when the concrete wall barring the reunification of Korea would be pulled down.

Saying that Korea is a neighbour of China and a country which had established militant friendship with it, he expressed support to the independent and peaceful reunification of Korea.

The Egyptian and Vietnamese military attaches said they learned well about the sufferings of division the Korean people were undergoing. They expressed the conviction that the reunification of Korea would certainly be achieved under the guidance of the great leader.

22 Jun U.S.-ROK Air Exercise Reported

*SK2406044993 Pyongyang KCNA in English 0439
GMT 24 Jun 93*

[Text] Pyongyang, June 24 (KCNA)—The U.S. imperialists on June 22 staged a provocative joint air war exercise against the North together with the South Korean puppets in the skies over South Korea with the mobilization of overseas-based nuclear-capable "F-16" fighter-bombers, pursuit-assault planes, VTOL assault planes and electronic-jamming planes, according to military sources.

The exercise involved hundreds of warplanes.

On the same day Guam-based "KC-135" and "KC-130" refueling tankers refuelled in the mid air scores of fighter-bombers and assault planes in an aerial war game in the sky above the sea off Kunsan.

These manoeuvres timed to coincide with the provocative "Ulchi 93" war game of the South Korean puppets were a premeditated provocation to foster mistrust and confrontation between the North and the South and aggravate tensions on the Korean peninsula.

Reunification Committee Issues Bulletin in Paris*SK2306112493 Pyongyang KCNA in English 1001
GMT 23 Jun 93*

[Text] Pyongyang, June 23 (KCNA)—The International Liaison Committee for Reunification and Peace in Korea in Paris published a bulletin on June 16.

The bulletin says under the title "International Meeting Expresses Firm Solidarity With the Korean People's Cause of Peace and Reunification of the Country" that the world conference for supporting the Korean people's cause of peace, security, sovereignty and reunification held in Lisbon in May last was a historical meeting which proved the justness of the measure for withdrawal from NPT taken by the DPRK Government to defend the security of the country and the supreme interests of the nation against the imperialists' anti-DPRK campaign and which demonstrated firm solidarity with the Korean people in their just struggle.

The bulletin carries the contents of the DPRK-U.S. joint statement under the title "Demonstration of Justness of the DPRK Policy of Peaceful Reunification, Brilliant Fruition of Consistent Efforts of the DPRK".

Under the headline "June 25-July 27 Month of International Solidarity With the Korean People" the bulletin calls for expressing international solidarity with the cause of Korea's reunification and peace on the occasion of the 40th anniversary of the victory in the Fatherland Liberation War and urges the South Korean authorities to get the U.S. troops and nuclear weapons withdrawn from South Korea, abolish the fascist laws, denuclearize the Korean peninsula, pull down the concrete wall and maintain an independent stand.

Thai Crown Prince Ends Visit, Departs 23 Jun*SK2306111693 Pyongyang KCNA in English 1008
GMT 23 Jun 93*

[Text] Pyongyang, June 23 (KCNA)—His Royal Highness Crown Prince Maha Wachiralongkon of the Kingdom of Thailand and his entourage, who had been paying an official goodwill visit to Korea upon the invitation of the Government of the Democratic People's Republic of Korea from June 18, left Pyongyang by special plane today, successfully concluding their itinerary.

They were seen off at the airport by a large crowd of cheering working people of the city.

Present at the airport were Vice-president Yi Chong-ok, Vice-premier Chang Chol, Vice Marshal of the Korean People's Army Kim Kwang-chin and other officials concerned, Thai Ambassador to Korea Montri Chalichan and his embassy officials.

A farewell function for His Royal Highness Crown Prince Maha Wachiralongkon took place at the airport.

Tokyo Banquet Celebrates Japan-Korea Data Center*SK2406001193 Pyongyang KCNA in English 1500
GMT 23 Jun 93*

[Text] Tokyo, June 21 (KNS-KCNA)—A banquet was arranged in Tokyo to celebrate the publication of "Materials on Mt. Paektu" and "News of Pyongyang" and the establishment of the Japan-Korea Friendship Data Centre.

Speaking at the banquet, Yoshiyuki Oe, chairman of the centre and manager of the S.B.B. Company Ltd., said:

"The Japan-Korea Friendship Data Centre has been established, 'Materials on Mt. Paektu' published and 'News of Pyongyang' founded in Japan under the complicated situation in which distorted reports about the Democratic People's Republic of Korea are prevalent. This is aimed at laying a foundation for expanding exchange between the peoples of Japan and Korea and correctly introduce and propagandize the DPRK to the Japanese people through mass media.

Speeches were made at the banquet by Akira Iwai, chairman of the Japan committee for supporting the independent and peaceful Reunification of Korea, and other Japanese figures and the leader of the Korea-Japan friendship delegation.

They were unanimous in vowing to make strenuous efforts for an early normalization of DPRK-Japan diplomatic relations.

'Comfort' Woman's Testimony to UN Detailed*SK2406002693 Pyongyang KCNA in English 1507
GMT 23 Jun 93*

[Text] Pyongyang, June 23 (KCNA)—Chong Songmyong, a Korean woman, who was a former "comfort woman for the army" exposed the past crimes of Japan at the working group meeting of the UN Commission on Human Rights on modern-type slaves.

She testified that she was taken to a village of Myanmar [Burma] in 1943 when she was nineteen years old, tricked by a Japanese called Maeda and suffered all manner of humiliation.

She said:

The Japanese unit which was stationed at the place where we were taken was "Sanbocho 33 regiment" and the formal name of the comfort house (frontline brothel) was "Mekudera Comfort House".

The "comfort house" had ten rooms partitioned with bamboo-mats and a Japanese name "Kinue", instead of my Korean name, was fixed at the door of my room. We were clad in Japanese dress and strictly banned to speak in Korean.

On the day we arrived there, the aide-de-camp of the regimental commander entered my room, stripped me naked by force and satisfied his carnal desire.

If we ventured disobedience, we were mercilessly tortured.

One day, ailing and exhausted, I refused the demand of the aide-de-camp. The brute sat on me and threatened to drive his military sword into my body.

He stripped me of my dress and whipped me with gusto before satisfying his animal passions.

This was a common practice.

I was forced to serve 20 to 25 soldiers a day and 30 to 40 on Sunday.

When a woman died from their sexual violence, the Japanese threw away her body, not burying it.

Toward the end of the war the Japanese army fled, leaving the Korean women behind without food. We wandered about in jungles, eating grass roots, and managed to return home through Thailand. At forty, my womb had to be cut off due to the sequela of the "comfort woman" life.

Giving vent to my grievances which have rankled in my heart, I appeal to all the honest-minded people of the world to settle my grudge and put the chief criminals on trial.

I, in the name of the Korean "comfort women" totalling more than 200,000, urge the Japanese Government, which still refuses to admit the past crimes, to thoroughly investigate the facts, make an apology and compensations at an early date.

Achievements in Iron, Steel Production Noted

SK2406002893 Pyongyang KCNA in English 1511 GMT 23 Jun 93

[Text] Pyongyang, June 23 (KCNA)—The metallurgical workers are reporting signal achievements in the production of irons and steels in hearty response to the calls of the Central Committee of the Workers' Party of Korea published on the occasion of the 40th anniversary of the victory in the fatherland liberation war.

According to Wi Hyong-kwon, director of the production guidance department of the Ministry of Metal Industry, the iron and steel output jumped 28.5 percent in the first 20 day of this month above April before the publication of the calls.

The output in the first five months of this year was 320,000 tons more than in the like period last year.

The Kimchaek iron and steel complex boosted the iron and steel output 39 percent last month above the corresponding time last year and topped the daily quota by 1,500-2,000 tons this month.

The Hwanghae iron and steel complex is keeping production on a high level by placing the operation of the furnaces on a more scientific and technical basis and reducing the time of a heat.

The output of iron and steel in the complex over the last five months was lifted by more than 45,000 tons above that in the same period of last year.

The Songjin and Chollima steel complexes lifted rolled steel output respectively by 2,800 tons and 3,400 tons in the first ten days of this month above the same period of last month by waging an energetic increased production drive.

Relays To Deliver 'Letters of Loyalty' Begin

SK2406010393 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 23 Jun 93

[Excerpt] Party members and working people all over the country are filled with great impressions and pleasure on the 40th anniversary of the great victory in the Fatherland Liberation War, a second Liberation Day commemorating that our people defended the national dignity and sovereignty after smashing the imperialists' aggression. Extending the greatest honor and the warmest gratitude to the respected and beloved leader and the dear comrade leader, they are fervent with ardent loyalty and strong will to consummate the socialist cause under the wise leadership of the party and the leader.

Amid the nationwide rejoicing, people in different places held meetings to adopt letters to the great leader Comrade Kim Il-song and dear leader Comrade Kim Chong-il and are now sending relay ranks to Pyongyang, the revolutionary capital city, to deliver the letters.

Meetings of officers and soldiers of the Army, Navy, and Air Force of the Korean People's Army were held in Samjiyon, Najin, and at Hill No. 1211 to start the relays to deliver the letters of loyalty. [passage omitted]

NODONG SINMUN Belittles 'Bourgeois Democracy'

SK2406051393 Pyongyang KCNA in English 0500 GMT 24 Jun 93

["NODONG SINMUN on Political System of Bourgeois Democracy"—KCNA headline]

[Text] Pyongyang, June 24 (KCNA)—The imperialists and their mouthpieces are these days intensifying propaganda about the "advantages" of bourgeois democracy, calling the frustration of socialism in some countries a "victory of liberal democracy" over socialist democracy. But this is an argument to conceal the political system of the corrupt and ailing capitalist society. NODONG SINMUN declares this in a by-lined article today.

The article headlined "'democracy' for reactionary ruling classes" says:

Bourgeois democracy gives a handful of privileged circles and reactionary ruling circles the freedom to freely exploit and oppress the working people, but it gives the working masses the freedom to be oppressed and to go in rags and starve to death.

The bourgeoisie advertises bourgeois democracy as "politics for the people" and claims that all people of the country participate in "parliamentary elections" and political activities. But this is a false propaganda.

It is self-evident that as long as the bourgeoisie holds the government and monetary powers in its hands and decides everything in capitalist society, the representatives of the workers and peasants cannot take any seat in the parliament nor have a share in the government.

Under the "multi-party system" politics in the capitalist society it seems that two parties or more take office alternatively and the people are "free" to choose the government of a party. The fact is, however, that the government power is transferred from one hand to the other of the monopoly bourgeoisie.

Although the politicians of capitalist countries advocate "impartiality of powers," contending that the separation of the legislative, administrative and judicial powers is a criterion of democracy, the separation of the three powers is nominal because these powers are in the hands of the spokesmen for the interests of the monopolies.

The bourgeoisie claims that civil servants and Armed Forces maintain "neutrality" under the cloak of "democracy" and "impartiality of powers." In capitalist society, however, civil servants are chambermaids for maintaining the domination by privileged classes and ensuring their fortune-making and the Armed Forces are tools for backing the reactionary ruling system with strength.

KCNA Reviews 24 Jun Pyongyang Press

*SK2406050893 Pyongyang KCNA in English 0453
GMT 24 Jun 93*

[Press review]

[Text] Pyongyang, June 24 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to His Royal Highness Samdech Norodom Sihanouk, head of state and chairman of the supreme national council of Cambodia, on the national day of the country.

NODONG SINMUN reports that the Portuguese paper NOTICIAS DA AMADORA introduced the reminiscences of the great leader President Kim Il-song "with the century".

Papers give an account of a meeting held in Pyongyang to commemorate the 20th anniversary of the publication of the work of President Kim Il-song "Let us prevent a national partition and reunify the country" and print the

report of Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea, at the meeting.

An article of NODONG SINMUN says that President Kim Il-song personally came out to the forefront during the fatherland liberation war and indicated a brilliant operation to accelerate the victory in the war. The paper conveys words of the chairman of the socialist federation of India stressing that the victory of the Korean people in the fatherland liberation war was attributable to the outstanding military idea and commanding art of President Kim Il-song.

Works of the dear leader Comrade Kim Chong-il were disseminated and studied in different countries, says the press.

NODONG SINMUN reports that a Bangladeshi paper carried an article explaining a work of Comrade Kim Chong-il.

Given in the paper is a message of greetings sent by the Central Committee of the Workers' Party of Korea to the 9th congress of the Communist Party of Venezuela.

The paper informs the readers that the group for the study of the chuche idea of the Los Andes De Haucayo university of Peru was inaugurated.

Econews of the press include reports about innovations in the production of irons and steels and timbers and about full-swing harvest of wheat and barley.

His Royal Highness Crown Prince Maha Wachiralongkon of the Kingdom of Thailand left Pyongyang, winding up his Korean visit, says the press.

NODONG SINMUN reports that the Korean ambassador presented his credentials to the president of Finland.

Printed in the press is the speech made by the head of the DPRK delegation at the world conference on human rights.

Seen in the South Korean news columns is a report that the South Korean newspaper "HANGYORE SINMUN" demanded the punishment of the chief culprits of the Kwangju massacre and bringing No Tae-u to a hearing.

NODONG SINMUN carries an article calling for the liquidation of the irregularities of the "6th Republic", targets of grievances of the South Korean people.

Given in the paper are a report that the Tanzanian minister of education and culture called for a prompt removal of the obstacles lying in the way to the peaceful reunification of Korea and an article titled "only victory and glory are in store for Korean people" by the chief of the presidential office of the Republic of Zaire.

The Italian committee of the reunification and peace of Korea issued its bulletin No. 3 and the director of the Kim Il-song academy of agricultural sciences in Guinea

made public a statement in connection with the repatriation of Yi In-mo, a former war correspondent of the Korean People's Army, says the paper.

It reports that a meeting commemorating the 40th anniversary of the victory of the Korean people in the fatherland liberation war was held in Moscow and the statue of Martyr Qiu Shaoyun, an internationalist soldier, was unveiled in China.

The prime minister of Malaysia visited China, Thailand applied for entry into the non-alignment movement, Mongolia made public its plan for arms reduction, the general secretary of the Organization of African Unity mentioned the role of the organization and a meeting of the defence commission and a cabinet meeting were held in Afghanistan, says the press.

NODONG SINMUN deals with economic construction in Laos, India, Thailand and Iran.

The paper comes out with an article headlined "'democracy' for reactionary ruling classes".

Correction to DPRK Minister on Enmity With U.S.

AU2206070493

The following correction pertains to the item headlined "Deputy Minister Says Enmity With U.S. 'Ended'", published in the 21 June East Asia DAILY REPORT, page 21:

First column, last paragraph, sentence two make read: Kang euphorically stated that the 40-year enmity... (deleting "in Vienna").

*** Article Views International 'Exchange Net' Plan**

932C014A Seoul MAEIL KYONGJE SINMUN in Korean 19 May 93 p 2

[Article by correspondent So Yang-won "Najin, Sonbong Development Plan"]

[Text] The Najin-Sonbong region will create a rational international exchange net with neighboring countries, China, Russia, etc., safely relaying international cargoes on time. In particular, to elevate the function of Najin and Sonbong harbors as free-trade ports, North Korean authorities are guaranteeing the greatest convenience possible in cargo transportation, such as exemption from customs duties.

While centering this area around light industry, the plan calls for it to be developed in the direction of harmony with heavy industry. The plan is to make this area a complex for processing and export industries, to manufacture and export finished products by making use of the raw materials of other countries.

- The first stage of development (1993-95) will be to expand the area's infrastructure: railroads, roads, and harbors, and to create an environment conducive to

investment while pursuing the work of modernization. In particular, investment will be concentrated in the development of the Najin area, making it the base of a free economic trade region. The annual cargo-handling capacity of Najin, Sonbong, and Chongjin will be increased to 20 million tons.

- The second stage of development (1996-2000) will be to make this area into a free trade region and so it will play the role of North East Asia's center for exchange. The annual cargo-handling capacity of the three ports will be increased to 50 million tons. This stage will carry out, full-scale, the operation of creating a complex for processing and export industry.

These industrial complexes will be specialized by area. By the acceptance of large scale foreign investment, this region will be made into an export-centered economic region. At the same time, it will be actively developed as a center for tourism.

The third stage of development (2001-10) calls for the creation and completion of over-all functions such as intermediate trade, export, processing and manufacturing industry, financial services, tourism, etc., making the region a modern complex for international exchange fit for the 21st century.

Najin Harbor Development Plan

At present, Najin Harbor only has three piers with a combined length of only 2.5 Km, so only ten thousand ton ships can dock there. Those ports whose annual cargo-handling capacity remains at three million tons will have new facilities built and be expanded over the course of the three developmental stages.

In the first stage, on and off-loading facilities and storage facilities will be built on existing piers by 1995. At the same time, new pier[s] and a 32,300 square meter warehouse will be built, increasing annual cargo-handling capacity to 10 million tons. In the second stage, a 5 hundred thousand square meter warehouse and a 3.5 km quay are planned to be built by the year 2000, making it possible for two hundred thousand ton ships to dock. By building a coal-only shipping pier, annual cargo-handling capacity will be increased to 30 million tons.

Sonbong Harbor Development Plan

Construction is presently being carried out which will increase what had been an annual cargo-handling capacity of 2-3 million tons to 10 million tons. To increase the passage capacity of this port's arrival pier, another bottom channel [Haejo'gwan literally "Sea-bottom channel." I could not confirm that "bottom channel" is the proper usage] will be constructed, there is presently only one. An arrival pier is under construction which will permit simultaneous passage to two 10 thousand ton ships. When this construction is completed, this facility will be able to handle one million tons of petroleum annually.

Chongjin Harbor Development Plan

The plan is to develop this harbor as a large port for intermediate-trade within North East Asia, since it is connected to China and Russia through the northern railroads. This port is divided into an eastern port [or East Port] (annual cargo-handling capacity 8 hundred 70 thousand tons) and a western port [or West Port] (7 million 1 hundred 30 thousand tons). It has seven piers with a combined length of 2,138 km. At the western port [or West Port] a 480 meter quay connecting piers number three and four will be built by 1995. This will be made into a port with a annual cargo-handling capacity of 10 million tons through the pavement of a 60 thousand square meter open-air storage yard and the construction of a 1 km railway.

Concerning companies falling into that production category requiring over ten year of [management and] planning, they will not have to pay income tax for three years beginning the year they show a profit.

South Korea**Israeli, DPRK Officials To Meet in Beijing**

SK2406084493 Seoul YONHAP in English 0830 GMT
24 Jun 93

[Text] Beijing, June 24 (YONHAP)—North Korea and Israel will hold talks in Beijing on Friday [25 June] morning to discuss "issues of mutual concern," an Israeli Embassy spokesman told YONHAP Thursday. He refused to give details such as the agenda, delegates, place or length of the meeting. An Israeli delegation was expected on Thursday evening, the spokesman said, refusing to elaborate. But the Israeli delegation is expected to be headed by Eytan Bentsur, a Foreign Ministry deputy director.

Earlier news reports said Israeli officials would meet their North Korean counterparts in Beijing this weekend to discuss Israeli economic aid of North Korea in return for its not selling missiles to Middle East countries. The Israelis have reportedly informed South Korea and the United States of the contact through diplomatic channels. Diplomatic sources here evaluate the meeting as "good momentum for the two countries to improve their ties that have been cut off so far." They said, however, "the two are unlikely to arrive at agreements easily as topics on the agenda are so directly linked to their own national interests."

Article Views 'Antigovernment Gatherings' in North

SK2306233693 Seoul CHOSON ILBO in Korean
23 Jun 93 p 23

[Article by correspondent An Hui-chang: "Intellectuals' Gatherings in North Korea To Criticize the Two Kims—Disclosure by a Korean Resident in Japan Who Participated in Those Gatherings"]

[Text] Can antigovernment gatherings take place in North Korea? Domestic and foreign media reported a few times that food riots erupted in Sinuiju and other places. However, the North Korean authorities strongly denied each report. Mr. Yi Yong-hwa, 39, is a member of the [pro-North Korean] General Association of Korean Residents in Japan and a full-time instructor at Kansai University in Japan. He said that he had attended anti-Kim Chong-il gatherings during his stay in North Korea. This has attracted attention. During that time, he studied in North Korea for eight months from April 1991. He returned to Japan disillusioned with the reality of life in North Korea. He recently visited Seoul for the first time and spoke at the ROK-U.S. Society and the Research Institute of National Unification. We will detail those antigovernment gatherings in North Korea and other instances of North Korea's reality.

North Korean people had not dreamed of opposing their government until 1981, when the Pyongyang World Festival of Youth and Students was held. This is because of the tight surveillance of the Public Security Ministry. The surveillance was tight to the extent that houses and buildings were eavesdropped upon by laser beams emitted through windows.

However, North Korea's surveillance has loosened gradually. This is because it has failed to acquire surveillance equipment due to shortages of budgets and because social atmospheres have become fidgety due to the difficult economic situation. In the past, if a North Korean resident complained that there were no goods to buy at stores, he was arrested. However, gradually, those who made such remarks tended to go unpunished.

Mr. Yi said: "As more and more people complained, the Public Security Ministry could not do anything about them." He also said: "When I was in Pyongyang, I witnessed a robbery. A Public Security Ministry agent happened to be on the bus. However, he could not do anything about it."

As the surveillance system has slackened, robberies take place often. Therefore, people in Pyongyang and regional areas seldom go out after sunset.

The intellectuals played leading roles in holding antigovernment gatherings. Mr. Yi said: "I cannot give you details of the gatherings since I fear for the participants' safety. However, I participated in four such gatherings. One of the participants was a student of my relative in Japan. He moved to North Korea in the 1980s." He added: "Only six months after I had first met him in Pyongyang, he introduced me to one of those gatherings. He may have done so because he had come to trust me." He went on to say: "You can attend the gathering as you have some room to move freely, such as going shopping or dining alone at restaurants which receive only foreign currencies."

The criticism of North Korea's Workers Party and Kim Chong-il is the main topic of the discussion at those antigovernment gatherings. Ten to fifteen intellectuals

participated in each of those gatherings. Such gatherings were held at different places and times each time for security reasons. The participants usually met early evening and discussed until two or three o'clock in the morning. They agreed that the sagging North Korean economy resulted from misrule by the Workers Party and Kim Chong-il.

Mr. Yi said: "The participants in the gatherings asked me to work for democracy in North Korea when I return to Japan. They said that they would act when the time was right."

North Korean people are well aware of the news on the collapse of other socialist countries, including the Soviet Union. After changing the words of a folk song, people in Chongjin were singing that socialism would perish.

North Korean people living in some regions frankly told their visiting relatives from Japan that North Korea should fight South Korea. They reasoned that if North Korea wins in the war with South Korea, they would have South Korean food and that even if it loses, the Kim Il-song regime would perish.

Defense Ministry: May Nodong-1 Test Successful
*SK2406091793 Seoul YONHAP in English 0851 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—North Korea successfully conducted a test of four missiles from Taepo-tong in Hwadae-kun, North Hamkyong Province, in late May, the South Korean Defense Ministry said in a briefing on recent developments in North Korea on Thursday. Two of the missiles, which the ministry said appeared to be Nodong No. 1, hit their targets in the East Sea 500km and 100km away from the launch pads, and the remaining two fell short of 100km.

As they were believed to have been developed to carry nuclear warheads, they posed a threat to neighboring countries, a senior official said. North Korea had shown no significant movement since its first test launch of a Nodong-1 missile from the Musudan range in Hwadae-kun in late May 1990, but a study of recent developments in North Korea showed that the test launch in May appeared to have been successful, he said.

In 1976, North Korea bought two Soviet Scud-B missiles from Egypt and improved them into its own 300km range Scud-B and 500km Scud-C models with the help of Chinese technology. These missiles were successfully tested in April 1984 and May 1986, respectively. The Soviet Union developed Scud missiles to deliver tactical nuclear warheads, the official said.

North Korea has shipped some 250 Scud-B and -C missiles to Middle Eastern countries, while starting to develop the 1,000km range Nodong-1 missile in 1988 when it deployed Scud-C missiles in Singye, North Hwanghae Province. Touching on recent developments in the military situation, the official said: "North Korea

wants to complete war preparedness by July 27, the 40th anniversary of the Korean war armistice, as it has set 1995 as the year of national reunification.

"Under the circumstances, North Korea has augmented its forward deployments of 240mm multiple-rocket launchers and 170mm self-propelled Howitzers, while reorganizing district commands into regular corps-level commands and increasing the fleets of warships, for both qualitative and quantitative improvement of its fighting forces. "North Korea is still in a state of tension similar to the state of semi-war it declared last spring, when the 'Team Spirit' joint South Korea-U.S. military exercise was conducted in South Korea. Electric power use and vehicular traffic in the private sector are under strict control, though the largest-scale joint Navy-Air Force exercise and the largest-scale mobile exercise of army mechanized units since 1988 were conducted recently. This tells us that North Korea's military has no problem, unlike the private sector."

More on DPRK Nuclear Treaty, Inspection Issues

Minister: DPRK Must Accept Inspections
*SK2406065193 Seoul YONHAP in English 0633 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—North Korea must decide "within a few weeks" whether to accept international inspection of its suspected nuclear facilities or to face United Nations actions, Foreign Minister Han Sung-chu said Thursday. Once North Korea complied and international inspections were carried out, then the United States would be able to discuss an improvement in relations, he said.

Inter-Korean dialogue complemented North Korea-U.S. talks since elements such as "Team Spirit," inter-Korean economic cooperation and simultaneous nuclear inspections must be addressed separately from Washington, Han told reporters. The foreign minister described a three-phase development of North Korea's nuclear situation where the first phase, Pyongyang's staying in the Nuclear Nonproliferation Treaty (NPT), has been passed.

The second phase is North Korea's compliance with International Atomic Energy Agency (IAEA) inspections, followed by relations improvement talks between Pyongyang and Washington, according to Han. Pyongyang on June 11 withdrew its decision to pull out of NPT in retaliation for the IAEA's demand to see two key suspected nuclear sites. The reversal came after four high-level sessions with the United States.

Pyongyang and Washington are set to begin another round of high-level negotiations, this time on getting North Korea to accept the IAEA checks. "This issue has to be solved within a few weeks," the foreign minister said. "UNSC members like Britain and France are fully ready to take up the problem at the council if it is not."

The next round of North Korea-U.S. talks was unlikely to last as long as the previous round, two or three sessions at most, he predicted. There was a possibility that suspicion would not be erased soon, even after the IAEA inspection began, Han noted, but third-phase talks on relations improvement could still proceed in line with progress in those inspections.

While the Seoul Government remains firm on its principle that inter-Korean dialogue must discuss the nuclear issue, it does not restrict the level of the dialogue, Han said. There have been reports of conflict within the government about whether to accept North Korea's proposal to exchange presidential envoys to arrange a summit where leaders should directly negotiate the nuclear situation. Seoul's position is to discuss the nuclear problem at top priority, regardless of at what level the contact takes place, Han said.

Official: DPRK 'Stalling for Time'

SK2406105593 Seoul KBS-1 Radio Network in Korean 0905 GMT 24 Jun 93

[Text] The scheduled South-North working-level contact at Panmunjom was not held today [24 June] because North Korea refused it.

The government sent a telephone message to North Korea on 22 June, agreeing to hold the working-level contact on 24 June at Panmunjom as North Korea had proposed and informed it of our side's intent to negotiate the nuclear issue and exchange of envoys at the contact. However, the North side only said that it would contact our side at another time [taume] and refused today's scheduled working-level contact.

A high-ranking National Unification Board official gave this analysis: Although our government accepted North Korea's demand regarding the timing and agenda of South-North talks, direct South-North dialogue is difficult because North Korea is stalling for time, considering South-North dialogue to be subordinate [chongsok pyonsu] to U.S.-DPRK talks.

Intragovernment 'Discord' Highlighted

SK2406024493 Seoul HANGYORE SINMUN in Korean 24 Jun 93 p 1

[Text] The government departments in charge of the policies toward North Korea have been in discord over the resolution of North Korea's nuclear issue. It appears that they have dealt with North Korea's nuclear issue only according to their own interests.

Because of such a discord between the departments, a failure has been brought about in the schedule about contact with North Korea. Thus, there is a saying that by using such a discord between the government departments, the United States, which has formulated an international policy to resolve North Korea's nuclear issue, is exercising more influence over North Korea's nuclear issue.

On 23 June, a high-ranking official of the Ministry of Foreign Affairs said: "Government departments' views of the outcomes of the U.S.-North Korean talks are so different that there are many difficulties in promoting negotiations with the United States and in setting up a policy toward North Korea. Based on the North-South relations of the past cold war era, the Agency for National Security Planning [NSP] has negative views of the U.S.-North Korean talks."

Regarding the outcome of the U.S.-North Korean talks, the Chongwadae [presidential office] side and the NSP think that because the Ministry of Foreign Affairs assumed the attitude of following the U.S. side in negotiating with the United States, our side has, after all, made an excessive concession to North Korea. Therefore, a contact with North Korea should be promoted carefully.

The Chongwadae side and the NSP point out that at present the U.S. Government and people have skeptical views of the North-U.S. talks. The Chongwadae side and the NSP claim a stern policy toward North Korea and restrict an appeasement policy toward the North by the Board of National Unification and the Ministry of Foreign Affairs.

The Board of National Unification and the Ministry of Foreign Affairs have their own opinions that North Korea's proposal for exchanging special envoys to discuss the North-South summit talks should be accepted without any revision. However, because of such a discord between the government departments, they are substantially following the NSP's position owing to the restrictions of the Chongwadae side and the NSP.

A high-ranking official of the Board of National Unification expressed his dissatisfaction at the NSP by saying: "Under the circumstances in which the U.S.-North Korean talks are being held, if the ROK constantly avoids dialogue with the North, the plan of North-South mutual inspections for the denuclearization of the Korean peninsula will be delayed and the issue concerning the Korean peninsula will be at the mercy of the United States."

DPRK's Assessment of U.S. Talks Viewed

SK1806033193 Seoul TONG-A ILBO in Korean 17 Jun 93 p 2

[Article by correspondent Pae In-chun from Tokyo: "North Korea's Evaluation of U.S.-DPRK High-Level Talks"]

[Text] North Korean authorities are very satisfied with the results of the four rounds of U.S.-North Korean high-level talks.

A well-informed source in Tokyo who is very familiar with the North Korean situation said on 15 June: North Korea is attaching great importance to both the text of the U.S.-North Korean joint statement formulated at

their fourth high-level talks and the contents of negotiations made in the process of their talks in an unprecedented manner.

He also said: North Korean mass media published in Japan, including the NODONG SINMUN, will soon extensively report on the results of U.S.-North Korean talks. North Korea is likely to pave the way for its next stage of diplomacy based on these results.

The North Korean authorities seem to believe, above all else, that the Bill Clinton administration has greatly eased their hostile attitude and has begun to revise the policy of regarding North Korea as an enemy. While the United States maintained its principled position toward North Korea during the George Bush administration, the Clinton administration has assumed a practical position. It thus seems that North Korea's hopes of grasping the opportunity to normalize relations with the United States was heightened through the four rounds of U.S.-North Korean high-level talks.

The source stressed that North Korea firmly believes that its future diplomatic prospects depend on how dialogue develops with the United States. It also said that "North Korea is attaching relatively less significance to relations with Japan."

A Japanese diplomatic source recently pointed out that "North Korea seems to think that it can lead postwar issues such as talks between North Korea and Japan on establishing diplomatic relations and on economic cooperation, to its advantage when it can place relations with the United States on the right track."

Regarding this, North Korea is expected to continue using its nuclear card until it can develop relations with the United States to a certain level.

The source said: Although the North Korean authorities say they are willing to accept the International Atomic Energy Agency [IAEA]'s inspection when the IAEA exhibits fairness, it is more likely that they will interpret this subjectively.

Some experts say the card North Korea can now use for its diplomatic negotiations is "prolonging factors that cause tensions on the Korean peninsula" under the pretext of its potential nuclear weapons development.

It seems that the reason behind North Korea's satisfaction with the results of the talks is Kim Chong-il's satisfaction with them. Now in the process of inheriting authority from Kim Il-song, Kim Chong-il is thought to have greatly strengthened his power base by obtaining practical interests from diplomatic activities with the use of the card of withdrawing from the Nuclear Nonproliferation Treaty.

The source stressed: Pyongyang has stated that the power transfer to Kim Chong-il is recognized as a reality [hyonsillo injonghaetta] by the United States.

U.S. Proposes 28 Jun Talks to DPRK

SK2406025793 Seoul YONHAP in English 0204 GMT
24 Jun 93

[Text] Washington, June 23 (YONHAP)—The United States has proposed to North Korea that they hold their follow-up to the New York high-level contact in Geneva on June 28, and the North has agreed to the venue in principle and said it will inform Washington of its response on the timing this week, informed diplomatic sources here said Wednesday. The U.S. State Department made the proposal in a telephone contact with the North Korean Mission to the United Nations on June 18 and reached an agreement that Robert Gallucci, Assistant Secretary of State for political and military affairs, and Kang Sok-chu, Vice Foreign Minister, would represent their countries in the follow-up talks, the sources said.

The sources did not rule out the possibility of the talks being held at the beginning of next month, noting that the United States was pushing for early dialogue because it wants to get to work on a solution to the nuclear issue before President Bill Clinton visits Tokyo and Seoul. A State Department official refused to confirm the information, saying that it was not the right time to make an official announcement on the talks.

Meanwhile, the United States turned down a North Korean request that the U.S. delegate to the talks be upgraded to the undersecretary level, saying it could not mull over improvement of relations with Pyongyang unless the North Korean nuclear issue were not solved, according to the sources. The U.S. Government has reportedly drawn up a position that it will not accept any initiatives on improved relations with North Korea in the coming high-level talks unless Pyongyang has solved its nuclear issue.

Ministry Expects New U.S. Envoy 'Around' Sep

SK2406062093 Seoul YONHAP in English 0601 GMT
24 Jun 93

[Text] Seoul, June 24 (YONHAP)—Emory University President James Laney has accepted a request to become the next U.S. ambassador to South Korea, Foreign Ministry officials said Thursday. Laney is expected to take up the post in around September, after his confirmation by the Senate, they said.

The ambassador-designate is from Wilson, Arkansas, but was a teacher in Seoul from 1959 to 1964 at Yonsei University. He is personally acquainted with Deputy Prime Minister Han Wan-sang, former opposition leader Kim Tae-chung and dissident figures.

Laney, 65, is a Yale University graduate and ordained Methodist minister. His teaching career includes Yale, Vanderbilt and Harvard before landing as Emory University President in 1977.

Beef Talks With U.S. Fail To Reach Agreement

*SK2306121993 Seoul YONHAP in English 1151 GMT
23 Jun 93*

[Text] Seoul, June 23 (YONHAP)—The fifth-round of Korea-U.S. beef talks, held at the Kwachon government building on Tuesday and Wednesday, failed to reach any substantial agreement. The two sides decided to meet again on Friday [25 June]. After the meeting on Wednesday afternoon, Kim Tong-tae, Korea's chief negotiator and director-general for livestock industry at the Agriculture, Forestry and Fisheries Ministry, told reporters that the United States demanded a further increase in Korea's beef purchase quota and the amount to be imported under the self-buying system among businesses.

The U.S. also wanted that the existing 2-percent markups on certain cuts of beef used at tourist hotels be applied on broader cuts, Kim said. He said he told American negotiators that Korea cannot accept these demands in view of the country's livestock industry situation. On the issue of completely liberalizing beef market, the U.S. agreed to Korea's idea that the time of beef market opening would be in accord with the rules of the General Agreement on Tariffs and Trade (GATT), Kim said.

At the fourth-round talks held in Washington last April, it was agreed that this year's quota would be set at 99,000 tons and future quotas would be determined at amounts that represent a 5 percent increase every year. At the April meeting, the two sides, having agreed on major items, began adjusting words of a written agreement before it broke off due to the U.S.'s insistence on including in the agreement some items that were not discussed during negotiations.

Seoul, U.S. To Pursue New Format in Trade Talks

*SK2406100093 Seoul YONHAP in English 0758 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—South Korea and the United States agreed Thursday on newly directed trade talks aimed mainly at lifting restrictions on business activities in each other's country. The talks will be steered by the "Dialogue for Economic Cooperation (DEC)," which replaces the Presidents' Economic Initiative (PEI) when it expires next month. The DEC will be formally inaugurated at the Seoul-Washington summit on July 10.

The agreement was reached at the 11th South Korea-U.S. economic consultation, led by Vice Foreign Minister Hong Sun-yong and U.S. Undersecretary of State for Economic Affairs Joan Spero. While the PEI was operated by four subgroups, the DEC will be run by an umbrella group led by an assistant minister-level official. The umbrella group will be in charge of creating ad-hoc groups as needed and officials say the priority will be attracting foreign investment in Korea.

Officials said the DEC, to hold its first meeting in August, is to seek a new direction in trade relations, namely easing business restrictions and encouraging industrial cooperation. The new trade negotiation channel will exist for one year and then be reviewed for extension.

Seoul and Washington agreed on early arrangement of an Asia-Pacific Economic Cooperation (APEC) summit and establishing a Trade and Investment Framework (TIF). The two countries are to announce their pledge on these points at next month's summit, officials said.

Spero emphasized that Korea must improve foreign investment conditions and widen access to the service industry, calling them prerequisites for better bilateral trade relations. She urged early resolution to the beef talks and suspension of wheat imports after tests finding agricultural pesticides in U.S. wheat. Hong delivered Korea's concern at the U.S. final ruling on steel anti-dumping charges and asked for a fair International Trade Commission ruling on whether to uphold the final ruling.

Aide Returns From U.S. Talks on Clinton Trip

*SK2406090093 Seoul YONHAP in English 0641 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—Senior Presidential Secretary for Foreign and National Security Affairs Chong Chong-uk returned on Thursday after a one-week trip to the United States for discussions with U.S. officials on the visit to Seoul of President Bill Clinton on July 10-11. Chong met senior U.S. Government officials, including National Security Adviser Anthony Lake and Robert Gallucci, assistant secretary of state for political and military affairs. Issues discussed included concerted measures against North Korea's nuclear development program, the presidential visit to Seoul, the recent high-level contacts between the United States and North Korea and diplomatic, security and trade issues.

Technology Royalty Payments to U.S. \$452 Million

*SK2406032893 Seoul THE KOREA TIMES in English
24 Jun 93 p 9*

[Text] The United States took in 53.2 percent of Korea's technology royalty payments last year. Korea's technology royalty payments hit a three-year low of 850.63 million dollars in 1992, out of which the United States accounted for 452.53 million dollars or 53.2 percent.

The Ministry of Finance [MOF] said Japan provided the largest number of technologies to Korea last year. A total of 553 foreign technologies were introduced in Korea last year, out of which Japan provided 232, which represented 43.5 percent of all foreign technologies introduced. But Japan captured only 31.3 percent of Korea's royalty payments.

The data indicates that U.S. technology is more expensive than Japan's. Three European Countries—France, Germany and Great Britain—accounted for 11.7 percent of Korea's total payments last year. The three countries held a 16.9 percent share of technologies introduced last year, the MOF said.

The number of foreign technologies introduced to Korea has declined for the past three years. The number was 763 in 1989, 738 in 1990, 582 in 1991 and 533 in 1992. For the first time since 1982, Korea's global royalty payments fell last year. They amounted to 889 million dollars in 1989, 1,087 million dollars in 1990, 1,184 million dollars in 1991, and 851 million dollars last year, the MOF said.

The declining royalty payments are not always good news for Korea, whose firms are in dire need of up to date foreign technologies for sharpening their international competitiveness, many analysts said. Korea has been slow to develop its own technologies and without foreign one, it can not wage effective competition with other global players, they added.

Korea's dependence on overseas technologies was as high as 21.6 percent in 1990, compared with 1.8 percent for the United States, 7.2 percent for Japan and 5.4 percent for Germany, the MOF said. It is alleged that foreigners are hesitating to sell their technologies to Korea.

Presidential Aide To Meet PRC Vice Premier

SK2406010993 Seoul KYONGHYANG SINMUN in Korean 24 Jun 93 p 2

[YONHAP/Beijing]

[Text] Former Democratic Liberal Party secretary general Choe Hyong-u, who is on visit to the PRC, arrived in Beijing on the afternoon of 22 June via Shanghai, Qingdao, and Dalian.

During his stay in Beijing, he plans to meet with Qiao Shi, chairman of the National People's Congress Standing Committee; Tian Jiyun, vice chairman of the National People's Congress Standing Committee; Zhu Rongji, vice premier; Li Qiyang, mayor of Beijing; and others to discuss matters of common concern including improvement of exchange and cooperation between the two countries' parliaments.

Former secretary general Choe plans to return home on 30 June via Hong Kong after visiting Xian and Guangzhou.

Government Working on Environmental Pact With PRC

SK2406100193 Seoul YONHAP in English 0816 GMT 24 Jun 93

[Text] Seoul, June 24 (YONHAP)—The government and the ruling Democratic Liberal Party [DLP] have

begun to draft an environment cooperation pact for signing with China that will reduce the yellow sand and acid rain reaching Korea from the mainland, DLP sources said Thursday. The hope was to establish an environment cooperation network in Northeast Asia, exchange information on air pollution with China, and exert joint efforts to cut air pollution, they said.

The Environment Subcommittee of the party's Special Committee on Social Reform recently issued a report on the long-distance migration of airborne pollutants with the Environment Ministry and discussed how to tackle the yellow sand and acid rain with Ministry officials. It was decided to produce an environment agreement after consultations, the sources said.

According to the subcommittee report, airborne yellow sand was present in Korea 14 days this year compared with five days in 1984 and more than 50 percent of the acid rain in Seoul had its origins in China. The party called for an immediate pact with China and said Beijing was in favor of its proposal.

The Environment Ministry is drafting an agreement that focuses on compensation for the damage done by the yellow sand and acid rain and joint efforts to develop technology on environment protection and reduce occurrences of yellow sand and acid rain, a subcommittee member said. He said Korea would conduct preliminary studies next month on the damage done by the two unwelcome visitors from the Chinese mainland. The government earlier decided to set up an observatory on the west coast to examine the travel of yellow sand and acid rain this year and will set up another one on the south coast next year.

EC Urges DPRK To Allow Nuclear Plant Inspections

SK1806020393 Seoul YONHAP in English 0008 GMT 18 Jun 93

[Text] Brussels, June 17 (YONHAP)—The European Community (EC), commenting on the results of the U.S.-North Korea high-level talks, issued a statement urging North Korea to accept international inspections of its nuclear installations Thursday. "North Korea should honor all nuclear safeguards agreements it signed with the International Atomic Energy Agency (IAEA) and implement its agreement with South Korea to conduct mutual inspections," the statement said. The EC welcomed the North Korean agreement to suspend its decision to withdraw from the Nuclear Nonproliferation Treaty, but North Korea had to fulfill all of its public pledges for the situation to develop in a positive direction, the statement said.

Agreement Against Double Tax Signed With Romania*SK2406100293 Seoul YONHAP in English 0853 GMT 24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—South Korea and Romania initialed an agreement on avoidance of double taxation on Thursday. Officials of Korea and Romania started the second working-level meeting at the Finance Ministry on June 21 and agreed on all 31 articles, including eight that were left unresolved from the first working-level meeting in Bucharest in December 1992. The agreement, which must still be signed and ratified by the National Assembly, will boost economic cooperation between the two countries, officials said.

Article Details Kim Yong-sam's Military Shuffle*SK2206054493 Seoul WOLGAN CHOSON in Korean Apr 93 pp 228-241*

[Article by Kim Hyo-chae, "Recent Trends in the Top Ranks of the Military"]

[Text] I Must "Change" Things Without Warning

The sudden dismissal of the Army Chief of Staff and the commander of the Defense Security Command [DSC]. The shock and astonishment. The general public, not to mention soldiers, were startled. This was an act not even three military presidents—Pak Chong-hui, Chon Tu-hwan, and No Tae-u—ever accomplished. It awakened people to the power of 42 percent of the vote. This article looks at events which occurred between 0730 [2230 GMT] to 1130 [0130 GMT] on 8 March 1993, when the announcement of the replacement of Army chief of staff was made. An hour-by-hour account of the events at the Chongwadae, the Ministry of National Defense [MND], and Army Headquarters at Kyeryongdae is given. Views and actions of general officers who watched these events and the response of field-grade officers are also provided. Together, they allow for a thorough analysis of the civilian president's view towards the military, as well as the soldiers' feelings towards the era of civilian rule. (The following reconstruction of the events of 8 March include the one-and-a-half-hour press conference held by Minister of Defense Kwon Yong-hae beginning at 1700 that day, the schedule of Army Chief of Staff Kim Chin-yong at Kyeryongdae, remarks made by Kim, and other information.)

At 0700 on 8 March Defense Minister Kwon Yong-hae departed his official residence in Hannam-tong, Yongsan-ku, Seoul and headed for the Chongwadae. The road to Namsan was packed with office workers on their way to work on a Monday morning. Minister Kwon was not in a very buoyant mood. He had more than a few worries since receiving word from the Chongwadae the day before that he was scheduled for a private breakfast with the president and that he should arrive by 0730. Certainly the president was going to ask some questions concerning plans for military reforms. What should be

reformed first? The president's pet phrase was, "Work 25 hours a day during the week, but spend the Lord's Day engaged in religious activities." Even that adage was no longer workable. Will he say that reform should begin with a personnel shuffle? Or would he propose that work begin with adjustments to the Force Improvement Program [FIP]? In any case, Kwon brought with him the outline of the "military general officer personnel records card" which he had instructed his assistants to make a few days earlier, with military personnel reform being one of the issues that the military faced.

Breakfast at the Chongwadae was simple: rice with wormwood soup. The president appeared full of vigor. As he lifted the spoon to eat his soup, the president spoke as though merely mentioning something in passing.

[Kim Yong-sam] "Now that we have finished minister and vice minister appointments, we must start with military personnel assignments as well, should we not?"

[Kwon Yong-hae] "Military personnel assignments in the past have been carried out on a regular schedule: two times a year, once in June and once in December. Even if there was some special reason why at this time we had to carry out a personnel shuffle..."

[Kim] "We must replace the Army chief of staff and DSC commander."

[Kwon] "..."

Whether the president knew that the minister was surprised, or whether he was purposely pretending not to know, he continued speaking.

[Kim] "Although I will receive the next report on the DSC, that organization must be downsized. This was one of my election promises. It would be good if it was done by someone familiar with the organization."

[Kwon] "..."

[Kim] "I will replace the Army chief of staff based on my position as supreme commander of the armed forces. I would prefer to replace him with whomever is next in line by rank. I will hold off on the chief of naval operations (seven months of tour remaining) and the Air Force chief of staff (18 months remaining). Who is next in line following the current Army chief of staff?"

The president then asked his minister, who had stopped eating, "Have you no appetite? Let us have some tea." He then asked to see the roster of military general officers in rank order.

Personnel Assignments Prepared Long Beforehand

Full-scale work began on selecting a successor after changing rooms (judging from the results of the selection of the successors to the Army Chief of Staff and DSC commander, it is deduced that the president had already prepared for such a personnel shuffle long beforehand).

As of 8 March, there were a total of five four-star generals qualified to be appointed as Army Chief of Staff: Kim Tong-chin (KMA Class 17), deputy commander-in-chief [D/CINC], ROK/U.S. Combined Forces Command [CFC]; Cho Nam-pung (Class 18), commander, First ROK Army [FROKA]; Kim Yon-kak (Class 17), commander, Second ROK Army [SROKA]; Ku Chang-hoe (Class 18), commander, Third ROK Army [TROKA]; and Kim Chae-chang (Class 18), first vice chairman, Joint Chiefs of Staff.

It was 0800 as the president and defense minister sat across from each other and selected the next Army chief of staff. Meanwhile, the flag raising ceremony that is held the first Monday of every month was underway at the Army Headquarters parade field at Kyeryongdae. Chief of Staff Kim Chin-yong gave the following instructions to those present at the ceremony during a five minute speech: "The military also must work towards the construction of a new Korea."

It was 0830 in the large conference room at Army Headquarters. Operational reports from the commands of FROKA, SROKA, and TROKA as well as other units directly subordinate to Army Headquarters were given together with an enemy intelligence report. Chief of Staff Kim appeared extremely pleased. As usual, the briefings went without a single hitch according to the schedule drafted by his secretariat.

About this time, the next Army chief of staff had already been chosen at the Chongwadae. Minister Kwon departed the Chongwadae with a flushed expression on his face and an envelope of documents in his hands as he headed for the MND. He was on his way to begin formal procedures for replacing the Army chief of staff. He gave instructions concerning such work to his first assistant minister and the chief of the Personnel Bureau.

"General Kim Tong-chin, the 30th Army chief of staff. Major General [Maj. Gen.] Kim To-yun, DSC commander"

President Kim provided two principles upon which to select these individuals. The first was that changes would be limited to only the Army chief of staff and DSC commanders. The other was that the DSC command slot be reduced in rank. Should either the FROKA or TROKA commanders, both of whom are KMA Class 18, have been nominated as successor, then the Class 17 field army commander could not have been left in his position. A massive shuffle of subordinate positions would have been unavoidable. Generals Kim Chang-hoe and Cho Nam-pung were thus excluded. That left three remaining candidates. Of the current four-star generals, Kim Chae-chang was promoted most recently. He was excluded. That left the ROK/U.S. CFC D/CINC and the SROKA commander. Regardless of who was selected, the entire personnel shuffle could be concluded by replacing that individual with JCS 1st Vice Chairman Kim Chae-chang since it would not have involved ramifications down to the lieutenant-general level. The fact

that there are many pending defense issues between Korea and the United States was also taken into consideration.

By reducing the rank of the DSC commander, the nomination of a major general to that position was inevitable. For a major general to break through the thick wall of the DSC, take control of the organization, and conduct reform meant that there was no choice but to select a person well familiar with the DSC's operations. The expedient move was to select Maj. Gen. Kim To-yun, the DSC chief of staff, as its next commander.

Neither the Chongwadae nor the MND mentioned that the Hanahoe [private military fraternity] was deliberately excluded in this latest round of personnel selections. Instead, it was requested that this not be seen as a Hanahoe versus non-Hanahoe issue. One MND official stated, "Not only would the situation be further aggravated if this is viewed as a power struggle between the Hanahoe and the non-Hanahoe, there is also concern that this would lead to the formation of a new faction called the 'non-Hanahoe' faction." The irrefutable reality, however, is that there are aspects of this latest personnel shuffle that simply cannot be explained by viewing this as anything other than a Hanahoe versus non-Hanahoe issue.

Army Chief of Staff Completely Unaware of Developments

It was 0900 at the Army Headquarters conference room at Kyeryongdae. The day was still proceeding as usual. A general staff meeting headed by Army Chief of Staff Kim Chin-yong was held as scheduled. The ten members who attend the general staff meeting were, as specified by Army Regulation, the vice chief of staff (Lieutenant General Kim Chin-son); the assistant chiefs of staff for planning and management, personnel, intelligence, operations, logistics, and mobilization (all major generals); the inspector general (brigadier general), and the chief of the secretariat (a prospective brigadier general). The major business addressed at Monday's general staff meetings includes a weekly events report and an operational status report from each staff element. After hearing each of his staff's reports, Chief of Staff Kim issued two instructions.

"There is a possibility that collective action will be staged at reserve training centers or the like since there are people dissatisfied with the launch of a new government this year and who lack a clear understanding of the reforms underway and the environment in society. To prevent this, we must not provide these people with any pretext for staging collective action. This must be done through thorough training preparations. Be particularly thorough in preparing for reserve forces training. Also, everything starts afresh with a new feeling with the birth of a new commander-in-chief. Let us take this as an opportunity to take a fresh look at the world around us. To do so, it is important to begin by fixing things that are readily apparent. We must concentrate especially on

reducing the budget beginning with not only the budget execution phase but also the formulation phase in order to create an economical military."

Back at the MND building in Seoul, the Personnel Bureau began to quicken its pace. Work began immediately on preparing documents seeking approval for the appointment of a new Army chief of staff to present to the National Assembly the following day. Members of the Personnel Bureau received instructions to maintain strict security until the announcement was made. They were not allowed to even show their surprise through their facial expressions. At 1030, Minister Kwon took the formal personnel record cards and other documents and headed for the Chongwadae to receive the president's approval.

The regular Monday general staff meeting at Army Headquarters hosted by Chief of Staff Kim finished at around 1110. The staff members, including Vice Chief of Staff Kim Chin-son, moved to the vice chief's office and discussed concrete plans for implementing the chief of staff's instructions. By then, Minister Kwon had already finished his business at the Chongwadae and was headed back to the MND. Kyeryongdae was quiet as usual. Even the MND was functioning as usual. Officers with luncheon appointments elsewhere had already vacated their desks. Then things began to clamor near the minister's office.

"They say the Army chief of staff has been replaced."

"What?"

"They say the DSC commander has been replaced too."

"Really?"

No one could believe it.

It was now 1120. The office of the secretariat of the Army chief of staff at Kyeryongdae was putting together Chief of Staff Kim's schedule for the afternoon. "1400: personnel related report. 1600: logistics report." Then suddenly every telephone that existed in the secretariat began to ring off the hook as though a fire had broken out. That was not all. Phone calls began to pour in to the vice chief of staff's office as well as each of the assistant chiefs' offices.

"Is it true that the chief of staff has been replaced?"

"What was the reason?"

"They say it was not a replacement but rather that he was fired as a reprimand." Everything was in utter confusion.

Defense Minister: "I Too Was Shocked..."

The 1200 top news story could be heard from the speakers of the radios that are normally turned on in the barracks during lunchtime: "The government today suddenly dismissed Army Chief of Staff Kim Chin-yong and DSC Commander So Wan-su. Succeeding them will

be..." The various groups of field-grade and company-grade officers and enlisted soldiers who had been heading for the dining facility could not help but stop dead in their tracks. They stood there stunned and flabbergasted. It certainly was something to get together and talk about.

There was one consistent reaction among all, whether one welcomed the news and called it outstanding or whether one was opposed to the move: amazement. "This really is the era of civilian government." That afternoon, Chief of Staff Kim called each of his aides in his office one at a time, praised them for their hard work, and revealed some of his inner feelings. One aide noted that Chief of Staff Kim expressed his dissatisfaction and regret, stating, "I was ready to step down. However, this was not the manner that I had in mind."

It was 1700 at the defense minister's reception room on the second floor of the MND building. Minister Kwon called a news conference. After clarifying several principles related to military reform, Kwon answered the following questions posed to him by the correspondents.

[Correspondent] Your appointment of a major general to the position of DSC commander appears to indicate your intention to reduce the functions and organization of the agency. By when and how do you plan to do this? What position will Commander So fill?

[Kwon Yong-hae] Instructions to develop a plan for reform of the DSC were already issued when General So Wan-su was there. DSC officials are currently developing such a plan. We will take selective steps after discussions with the new commander. The new assignment for Commander So will be given after consulting with the newly appointed chief of staff.

[Correspondent] What adjustments will be made to the mission of the DSC?

[Kwon] We are going to begin by reducing the size of the organization.

[Correspondent] You have stated that you will give the Armed Forces Special Inspection Group oversight over the operations of the DSC. Do you have a concept of the missions that you will task the Special Inspection Group with?

[Kwon] I will have them cooperate closely with other audit and inspection agencies such as the MND's Investigation Group and the services' judge advocates.

[Correspondent] When do you feel that the president arrived at his decision concerning the Army chief of staff?

[Kwon] Although it is believed that the president already had made his decision to shift personnel, I felt as though it was at the meeting this morning that he decided on the successors.

[Correspondent] Will there be follow-on personnel changes?

[Kwon] Not at the four-star level. Other than that, there will likely be follow-on personnel changes. The newly appointed Army chief of staff will also likely have some ideas.

[Correspondent] What were your feelings when you received the notice?

[Kwon] Truthfully speaking, I too was shocked. I was not even able to eat properly.

[Correspondent] When were the notices given?

[Kwon] As soon as I arrived at my office (immediately after returning from his second trip to the Chongwadae) I directly passed them on to the persons involved.

[Correspondent] What was the background behind the selection of the newly appointed chief of staff?

[Kwon] Our basic principle in carrying out the change was to do so without any great shifts in the military leadership. General Kim Tong-chin was immediately after Chief of Staff Kim Chin-yong in rank order.

[Correspondent] Did the president make any comments related to the Hanahoe?

[Kwon] Now is not the time to divide and separate any longer. I ask you sincerely. Things become difficult when all personnel assignments are viewed in that light. We must begin by freeing ourselves from discord and dissent. I ask the press to please help so everyone may work in harmony.

[Correspondent] What were the reactions of the two people who were dismissed when they received their notices?

[Kwon] To some degree they appear to be resigned to their fate.

"I Will Thoroughly Oversee the DSC's Reform"

[Correspondent] Is not dismissing the chief of staff nine months before his guaranteed term of office expires both a violation of personnel laws as well as a contravention of the political neutrality of the military?

[Kwon] This must be seen as an act done within the president's position as commander-in-chief.

[Correspondent] Do you believe that the MND's Armed Forces Special Inspection Group will participate in the reform of the DSC?

[Kwon] No one knows the problems of the DSC better than the DSC officers themselves. All military officers are also well aware of the bad practices of the DSC. I, too, realize this. Thus, I feel there is no need to get the Special Inspection Group involved. I will oversee reform as defense minister. My plan is to give the MND's Defense Intelligence Agency overall control of all the

military intelligence agencies including the DSC, the Defense Intelligence Command, and the 7235 Unit.

[Correspondent] What about the issue of the DSC's surveillance of civilians?

[Kwon] Nowhere in any of the DSC's regulations is there a passage saying that surveillance of civilians is allowed. The problem lies at the top. The president has announced his firm plan not to accept reports directly from the DSC commander. If the defense minister has the willpower to strictly manage the DSC, then I believe all problems will be resolved.

[Correspondent] Are there any intentions to reinvestigate incidents of the Sixth Republic for which suspicions remain?

[Kwon] Although I believe there are no incidents where suspicions remain, if there are any, they will be investigated.

[Report] Will a unified service [tonghapgun] still be pursued?

[Kwon] First, the name itself is erroneous. Currently, research on restructuring the military is focusing on plans on how best to economically and efficiently operate the military. If the results of this research are a unified command, then we will lean toward a unified command. If not, then we will carry out reform in some other form. Arriving at some conclusion in the beginning stages of research without even knowing what conclusion that research will arrive at is not proper.

Minister Kwon's press conference continued for one-and-a-half hours. Minister Kwon also stated that he plans to meet frequently with the press when important issues arise in the future. This is something that was not seen during the four-star-generals-as-defense-minister era. The correspondents themselves got a first hand feel for the era of civilian rule.

A subtle response was seen at Army Headquarters. Ostensibly, darkness fell upon the day as though nothing had taken place. However, whispers could be heard here and there.

Lower ranking field grade officers at the ranks of major and lieutenant colonel generally viewed the events positively. They felt that the Hanahoe was the greatest and most urgent issue that the Korean military had to overcome, so their pain was now tolerable to a degree. Upon reflection, can anyone confidently declare that, until now, military personnel actions have been conducted fairly? No one dares speak openly. Such things were only discussed secretly among classmates or friends.

Those field grade officers judged to be on the promotion fast-track, however, have a somewhat different perspective. General officers raised the issue of the procedures for dismissing the chief of staff. According to military personnel laws, the chief of staff is changed by the president. The constitution stipulates that along with the

position of inspector general, appointments for each of the services' chiefs of staff are done with approval of the cabinet. The replacement of the chief of staff is thus stipulated by the constitution.

Kim Yong-sam chose his prime minister one day before his own inauguration as president. He then made sure to wait until after receiving approval from the National Assembly on the prime minister's nomination before appointing the remainder of the cabinet, since this is the procedure stipulated by the constitution. This was an expression of Kim's intention to follow procedures according to the law, a cardinal point of democracy.

One could denounce the president's announcement on 8 March, just one day before the decision was voted on by the cabinet on 9 March, as an "informal designation" and not an appointment of the next Army chief of staff.

This is exactly the reason Minister Kwon requested that the Army chief of staff change be seen as an action conducted "within the realm of exercising power." The chief of staff was not dismissed because he was judged to be incompetent. He was replaced due to the necessity of the president as supreme commander and head of state to rule the state. After all, there was a similar example during the Fifth Republic when then-Army Chief of Staff Pak Hui-do was replaced six months before his term expired. This is the logic offered to explain the president's moves.

Violation of Legal Procedures A Problem

However, if President Kim Yong-sam did not follow the precedent of naming his entire cabinet including the prime minister at once when he first named his first cabinet members under the new government out of respect for procedures that are the cardinal points of democracy, then not only does putting forth the excuse of "exercising power" for the replacement of only the Army chief of staff lack consistency, it is also difficult to avoid being criticized as an act not befitting an administration with the label of "civilian government." This issue is completely separate from the question of who between dismissed Chief of Staff Kim Chin-yong and newly appointed Chief Kim Tong-chin is more democratic or who is less of a political officer.

Furthermore, judging from the political effects actually gained from the actions, it is difficult to avoid concluding that the president expected spin-off effects from the replacement of the Army chief of staff and that he used the military for political purposes. A partial cabinet reshuffle was conducted on 8 March, only 10 days after the first cabinet was formed. The first cabinet's slogan was reform aimed at establishing a clean government. When the media questioned the morals of some members of this first cabinet, the Seoul City mayor and the ministers of justice, construction, and health and social affairs were replaced. Some believe that the president dismissed the Army chief of staff as a card in a "Kim Yong-sam style" frontal breakthrough to put the controversy of his cabinet reshuffle behind him.

This argument is convincing when the marked decrease in the debate on the morality of the new cabinet following the replacement of the top military officials is taken into consideration. If this really was President Kim's intention, then he may be said to have affected the political neutrality of the military in a completely different manner from military presidents who used the military for political purposes since the May 16 military coup d'etat.

The only positions among military officers that have set terms are the chairman of the Joint Chiefs of Staff [JCS] and each of the services' chiefs of staff. The objective of such legal measures are to ensure the political neutrality of the military. The terms of office for officers other than the JCS chairman and each of the services' chiefs of staff are merely customary. There are thus no legal procedural problems to replacing the DSC commander.

However, former DSC Commander So Wan-su attempted to unearth some wrong committed by Minister Kwon following Kwon's assumption of the defense minister position, and hearing of this, Chongwadae conducted their own private inquiry on Minister Kwon. So was dismissed when Kwon was found to have no decisive blemishes, and we need to note the spread of the theory that the replacement of the DSC commander to tranquilize the "organized resistance of the vested-interests class aimed at obstructing reform" is President Kim's high-level remedy [kotanwi chopang]. The press interprets the rise of Kwon Yong-hae from vice minister to minister as either "a stepping stone toward the appointment of a civilian defense minister" or a result of his being a "non-Hanahoe" person. Thus there is the possibility that these actions further incited high-ranking Army general officers of Hanahoe.

None Can Foresee June's Scheduled Personnel Actions

In any case, there is no doubt that the military has directly felt and experienced extraordinary changes from the few megaton-class personnel changes that have been made during the less than one-month period since the launching of the Kim Yong-sam government.

The officers who enjoyed seeing a few of their seniors and even some of their contemporaries and juniors included on the list of newly appointed cabinet members whenever there was a cabinet reshuffle in the past now look dejectedly upon the "civilian government," thinking back on the good days. There are others who secretly await the uprooting of the current military system which was solidified over a minimum of 10 years since May 17 [declaration of martial law that marked the beginning of Chon Tu-hwan's regime in 1980], and a maximum of 30 years since 16 May [Pak Chong-hui's 1961 coup]. While appointments to the cabinet or other government positions were watched merely to see if any military officers were included, the regular June general officer promotions and job transfers are directly related to the subsistence [papkurut] of military officers. With just two or so months left until the June personnel

adjustments, general and field-grade officers must be feeling extremely multifarious.

First, there is no way of predicting the outcomes of this June's personnel adjustments. As was clearly evidenced in the selection and appointment of cabinet members and in the dismissal of the Army chief of staff and DSC commander, if instituted, a "Kim Yong-sam style" of personnel management will begin by focusing on either military rank or an evaluation of capabilities. But while military personnel adjustments take into exceptions into consideration, it will not be so extreme as to name a lieutenant general the chief of staff.

The replacement of the Army chief of staff has left the position of JCS 1st vice chairman (four-star general rank) open. Will this position remain vacant until the personnel shuffle in June? Or will a lieutenant general be promoted in the immediate future to general and be appointed to the position?

The position of JCS 1st vice chairman was originally designed to be filled by a lieutenant general when the current combined forces structure that is the framework of today's military was adopted in 1990. When the North-South high-level talks got underway at that time, the North Korean military sent a four-star general as its representative. By protocol, the ROK military had to send a four-star general to attend as well. Thus the JCS chairman began to attend the meetings. However, it did not appear balanced to have the number one ranking officer, the JCS chairman, attending from the ROK side while the number ten ranking officer from the North Korean military attended. Under this justification the rank of JCS 1st vice chairman was raised to a four-star general.

Of course there are eight other four-star generals in the ROK military in addition to the JCS chairman, to include the Navy and Air Force chiefs of staff. However, it would be difficult for either the Navy or Air Force chiefs of staff who command a single service, for the ROK/U.S. CFC D/CINC who falls under the U.S. CINC in the command chain, or for the commanders of FROKA, SROKA, or TROKA to be recognized as the representative of the entire ROK military at these military talks. Having reached this conclusion, the rank of JCS 1st vice chairman was raised to full general, and he was put forth as the counterpart to the North Korean military representative.

There is therefore no imperative nor pressing reason why, for the time being, a four-star general must be placed in this position in order to carry out his tasks within the military. Thus the position of JCS 1st vice chairman may be left vacant for the time being. This is seen as the reason for Minister Kwon's statement to the effect, "There is a good possibility that there will not be a promotion to four-star general."

Who Will Become JCS Chairman?

Should there be promotions to four-star general in June, they most probably will be done on a large scale. First, in order to understand the upcoming personnel shuffle, one must know the principle of two-year transfers in the military. To ensure fairness in officer assignments, the system is designed so that officers rotate between front-line and rear-area units once every two years. This principle applies from the time an officer is a second lieutenant. The only difference is that as one climbs the ladder up the ranks, there are many instances where officers are unable to fulfill their two-year assignments so they may be rotated during regular personnel changes. The date of assignment to current duty position is therefore a very important factor when it comes to understanding officer assignments.

Should this principle be followed, there is not a single four-star personnel change that would take place this June outside of the JCS 1st vice chairman. JCS Chairman Yi Pil-sop (KMA Class 16), SROKA Commander Kim Yon-kak (Class 17), and TROKA Commander Ku Chang-hoe (KMA Class 18) all were appointed to their present positions in December 1991. Therefore, they should be replaced in December 1993. However, there have been very few instances in the past where the two-year principle was adamantly adhered to with field army commanders. When taking into consideration the advent of a new government and President Kim Yong-sam's attempts at military reform, all of these individuals become targets for personnel change in this June's reshuffle.

The issue of choosing a successor to the current JCS chairman has become a bit more difficult with General Kim Tong-chin's sudden move to the position of Army chief of staff. The JCS chairman is number-one in the military ranking order. He must be the top ranking person in the military. Therefore, for Chairman Yi Pil-sop's successor to become the true number one ranking officer there is a need to select someone who outranks the current number two officer, Chief of Staff Kim (KMA Class 17). However, the only Class 16 officer currently serving in the Army is JCS Chairman Yi. Even within Class 17, the only officer remaining when Army Chief of Staff Kim is excluded is SROKA commander General Kim Yon-kak. Should the SROKA commander be appointed to JCS chairman, even though he would be a KMA classmate of the Army chief of staff, he would be jumping from a field army command under the chief of staff to the position of JCS chairman, thus reversing their rank order and resulting in a contradiction.

Whether a plan will be adopted giving the current JCS chairman a one-year extension as authorized by law, or whether the reversal in rank order will be accepted given the "revolutionary" situation calling for great reform, the president is the sole authority to make a judgement and decide.

Should a field army commander be replaced, prospects are that the first Class 19 field army commander will emerge. Currently, there are one Class 17 and two Class 18 field army commanders.

With FROKA commander Cho Nam-pung having served in his position only one year beginning in June 1992, the two who are targets to be replaced are Generals Kim Yon-kak and Ku Chang-hoe. Should this happen, those to be promoted would be from Classes 18 and 19.

There are currently five members of Class 18 who are lieutenant generals: KMA Commandant Kim Chong-hon, MND Special Inspection Group Commander Chang Pyong-yong, National Defense College Commandant Chang Sok-rin, ROKA Training and Doctrine Command [TRADOC] commander Pyon Chang-won, and MND Policy Office chief Chang Song. However, Class 18 has already produced three four-star generals. These include two field army commanders and General Kim Chae-chang, recently appointed as ROK/U.S. CFC D/CINC to fill the position left open by the new Army chief of staff after having served as JCS vice chairman. According to custom, then, it is virtually certain that Class 18 members will be excluded from further promotions to four-star general. However, it is not a complete impossibility that one more person may be promoted to that rank.

There are a total of 18 lieutenant generals outside of Class 18. There are nine Class 19 members, one ROTC Class 1 member, one OCS Class 151 member, and seven KMA Class 20 members. Among these, those lieutenant generals who are in positions to be promoted to full general are those who have finished their corps commands and who are working either at the JCS or at Army Headquarters, the so-called number-one promotable candidates.

Thus Class 20 lieutenant generals, none of whom have completed their corps command, are automatically ineligible to be promoted to full general. There are two or three Class 19 members that are most likely candidates for promotion. Those who have completed their corps commands include ROKA Vice Chief of Staff Kim Chin-son, JCS Strategic Plans Chief [J-5] Yun Yong-nam, and JCS Operations and Plans Chief [J-3] Kim Sang-chun. Although previous DSC Commander So Wan-su has served at the DSC, considered second to a corps command position, dominant opinion is that after having left half-way through his assignment it will be difficult for him to be promoted. It had been normal for officers who served as Special Warfare Command and DSC commander as Lt. Gen. So did to be promoted to full general and even rise to become chief of staff. This was virtually the expected course.

Other corps-level command positions among Class 19 include Lt. Gens. Yi Taek-yon, Pak Kwang-yong, Kim Hyong-son, Choe Kwon-yong, and Yi Chun. However, there has not been a single case thus far where a lieutenant general was promoted directly to four-star general

from a corps command position, and it is also impossible based on time-in-grade requirements. Thus these individuals also must be excluded as candidates for promotion to four-star general.

First Four-Star ROTC Graduate May Even Emerge

The officer corps at the rank of major general and above have been dominated by KMA graduates since the retirement of former JCS Chairman Chong Ho-kun, the only OCS graduate to climb that high. Attention has been focused on whether lieutenant generals with ROTC and OCS origins will be included in the next personnel shuffle. Of particular interest is ROTC Class 1 graduate Lt. Gen. Pak Se-hwan (corps commander). Appointed to his current position in June 1991, Pak is a target for reassignment in this June's regular personnel shuffle, and attention is focused on his next position. Should Lt. Gen. Pak enter the "course to promotion to full general," the possibilities will increase significantly for the Korean military to see its very first four-star general from the ROTC. Those outside the military are predicting that the fact that he is the sole ROTC officer at that rank cannot be ignored.

The moves of Class 20 lieutenant generals are also a focus of interest. This is the first opportunity for a Class 21 general to emerge as a corps commander. There are five to six front-runners among Class 21 graduates for promotion to lieutenant general who have completed their division commands and are now working either at Army Headquarters or at the directorate level at the JCS.

Members of Class 24, commissioned in 1968, are likely to make their first steps into division commands, regarded as the prime assignment for generals. Originally, Class 24 members were expected to have to wait until December to move into division commands due to a promotion backlog resulting from an extension of military service times. However, should there be early retirements at the four-star level in June, then Class 24 will reap the benefits of the chain-effect that will result. Currently, the distribution of division command slots is 12 for Class 22, 15 for Class 23, 4 for ROTC, and 5 OCS officers.

Personnel assignments related to field army, corps, and division command slots that will take place in June are particularly interesting for several reasons. First, they will reveal the "personnel principles" of the new line-up of figures that have personnel assignment authority. This includes President Kim Yong-sam, Minister Kwon Yong-hae, and Army Chief of Staff Kim Tong-chin. It also will reveal other facets of their views toward the military and their command philosophy.

The key point to this June's personnel shuffle will be whether the gap between the group of front-runners and those towards the rear of the pack will be maintained, or whether an across-the-board or even partial reversal is possible. If it is concluded that President Kim has sufficiently demonstrated his will to institute military personnel reform with his replacement of former chief of

Staff Kim Chin-yong and DSC Commander So Wan-su, then there will likely be no big reversal between the front-runners and the trailers. Should the recent transfers be deemed insufficient, then another major surgery will again be inevitable. Should this occur, one cannot rule out the possibility that either the rank order that has been maintained until now or the current job promotion order will be entirely ignored.

"From Now On We Will Wear the Uniform When We Go Out"

Regardless, the ruminations of officers these days cannot be comforting. It is currently impossible to resist the extraordinary number of demands that accompany the advent of the era of civilian rule, regardless of the justification. However, it is also impossible to hide the alienation and neglect that a warrior must feel at the abstract rhetoric of the so-called era of civilian rule. In particular, this writer saw evidence everywhere of the alienation and helplessness that battalion commanders at the rank of lieutenant colonel are feeling toward society. The following is an appeal from one battalion commander serving in the forward area.

"Everyone is glaring askance at the military. They see all of today's problems as either being committed by or deriving from the military. However, we too are members of the public. Although we should not receive any special treatment because we are soldiers, what reason is there that we should be disrespected simply because we wear the uniform? We have memories of when our predecessors were battalion or regimental commanders and they received support from sponsors outside the military and were able to stimulate morale among their junior officers or enlisted soldiers and spend large chunks of money.

"We remember the beginning of the 1980s when officials from the major media attended change-of-command ceremonies for regimental commanders—colonels in command of regiments, not even division or corps commands. Can you believe that? That was what things were like back then. Thinking back on it, it was something that never should have occurred. However, it was seen as natural at the time. If an officer was unable to find at least one patron, then he was treated as a fool by his subordinate officers and was unable to even get promoted. It is commonly accepted that with such evil practices continuing today, it costs a battalion commander around 6 million won during his two year tour and a regimental commander around 10 million won for the 'unit morale enhancement costs.'

"Of course, such items never appear in the unit budget. Where does that money come from? If we had some assets at our houses it might be different. Yet in our predicament, there are numerous colleagues who take the dive and go into debt. What for? Of course, one cannot deny the basic desire to get promoted and move ahead in the world. However, it is not solely from a desire to get ahead. As a job that consists of leading

people, and as a commander entrusted with their lives, there is no time to dispute such a system with logic. This is the basic physiology of the officer corps.

"However, every time the print and broadcast media in the outside world open their mouths they talk of the era of civilian rule and the eradication of military culture. The era of civilian rule is a good slogan only as a rallying call to overthrow a military government. It is the most dependable tool to do so. However, have we not now achieved an era of civilian rule? Even if civilian rule could become some tool by which to administer the affairs of state, is it not true that civilian rule itself cannot become the objective of such affairs?

"Our classmates now intend to launch a campaign in which we will wear our uniforms when going to and from work and going out. Why must we wear suits when we leave the forward areas and come down to Seoul? Now is the time when the military uniform must reclaim its proper place as a symbol of honor. If there was a military regime, and if the military uniform was a symbol of that regime and is thus loathed as such, by the same logic in the current era of civilian rule, the military uniform must become a symbol of moderation and restraint, of the spirit of sacrifice and courageous fighting. The military must not be excessively denounced. We ask to be encouraged just a little. If so, then we can work with that much more exuberance."

President Kim's View of the Military

There are portions of this officer's thoughts that are somewhat exaggerated. Even so, many of the officers whom this writer met share such feelings. They are offered here as a basis for insisting that there is a need for a better understanding of this distinct trend within the officer corps. Many officers have simply hung their hopes on the fact that President Kim Yong-sam's philosophy towards national security and the military as reflected in his addresses at the graduation ceremonies of each of the service academies was very healthy and constructive.

President Kim's views toward the military and security as revealed in these three addresses is practically identical to those shared by the conservative class in our society. President Kim did, however, also state, "There must be change and reform in our security policy as well" (5 March address at the KMA graduation ceremony). While stating this, President Kim noted that the era where mere military force alone determined victory or defeat has passed, and accordingly military force must be made scientific and a Korean-style security system compatible with Korea's strategic environment must be created. What exactly President Kim is speaking of when he states "Korean-style security system" or "future-oriented security posture in anticipation of unification" is not yet certain.

However, toward the very end of President Kim's address he stated, "There has been an unfortunate era during which the honor that naturally must come to the

majority of soldiers who have followed a proper path has been scarred." This is very suggestive of future military personnel related issues. President Kim states that the civilian world and the military [mun and mu] do not exist as two separate trees, but instead share the same roots as the same tree only with different roles. He entreated that the military find a new role and position commensurate with the new era, and that they become a military that is truly loved by the outside, a military that not only protects the people but also shares the same breathing air.

President Kim's final statement, "I pledge here and now to take the lead in restoring the honor and glory to the nation's Armed Forces," reveals that Kim basically believes that until now, the military has strayed from its inherent mission and that he as president intends to restore this glory by ensuring that the military does only its inherent mission.

The 10 March address to the Air Force Academy was essentially similar to that at KMA. However, in his Air Force Academy address Kim is seen as having articulated his commitment to reform one octave higher. He stated, "The military also must get in sync with the new era and change." The president was much more direct in his speech at the Air Force Academy regarding reform in security policy and changes in the military as referred to in his earlier KMA graduation address.

This day President Kim also stated, "We must be resolute and daring in fixing what needs to be fixed and changing what needs to be changed." "As in society, the military must ensure that clear water flows from the top." "If there are old practices or customs in the military, then naturally they must be eradicated." In particular, his statement "The military also must be clear at the top" was seen as sending a clear message to general-grade officers in the military leadership when coupled with his replacement of the Army chief of staff the day before.

In his 12 March address at the Naval Academy graduation ceremony, President Kim added to his previous comments on change and reform made at the Army and Air Force Academies. "Only a democratic military that receives the love and trust of the people can be a strong military." President Kim also emphasized professionalization in the military when discussing its balanced development.

At this juncture no one can arrive at a conclusion about just how President Kim will apply change and reform to the military. It remains to be seen whether a democratic military that can receive the people's love according to the president's logic, and one in which the senior leadership is clean in order to grow as the cornerstone of state security, can indeed come about. All that is clear at this point is that demands are stronger than they ever have been in the past for the water at the top of the military to be clear; in other words, that there be morality within the top leadership of the armed forces. Should the military

fail to live up to these standards, one can easily predict how this will be dealt with through personnel shuffles.

"Please Look Kindly Upon the Military at This Time"

One also can anticipate that reductions to the Force Improvement Plan (also called the Yulgok Project) will be much bolder than in the past just from a budget perspective. However, it is undeterminable at this point whether during the next cabinet reshuffle former military figures will continue to be completely excluded and denied a share commensurate with the portion they occupy in our society.

Some of the officer corps worry that reform might result in a lowering of morale. Of course, reform is an unavoidable necessity. However, if it not preconditioned on an appropriate regulation of speed and intensity when it comes to a conservative and stability-oriented massive organization like the military, then many bad side-effects can result. This is the concern of the officer corps.

One field-grade officer stated, "Frankly speaking, the problems that higher ranking officers have are well known by even the most junior officers. In particular, the evil inflicted on the development of the military by the DSC is unspeakable. If President Kim, Minister Kwon, and Chief of Staff Kim Tong-chin really intend to reform the military, it is very important to have many opportunities to gather the opinions of those in the military."

One general requested, "Military reform must begin by clearing up the static surrounding the Force Improvement Program." This officer's opinion is that it would be no exaggeration to state that all corruption within the military begins with the Force Improvement Program. He went on to state, "Fortunately, Minister Kwon has long experience in dealing with this project in his jobs as head of the Planning and Management Office as well as vice minister. Thus as long as he is determined to do so he will be able to block any immoral dealings."

Another general proposed, "One good sample to see how clear the water is at the top of the military would be to have those at the top make public the conscription status of their children. If the results are that the total number of children who enlisted is lower than the call-up ratio of active duty soldiers, then indeed something must be reformed. If not, then all of the misunderstandings and mistrust that have accumulated unnecessarily over a period of time may be cleared up all at once."

Several generals stated, "We too have lost much of our aversion toward the phrase 'era of civilian rule.' We therefore ask that the people also try to look upon the military more kindly." President Kim Yong-sam's statement at the KMA graduation ceremony, then, is correct within this context: "Civilians and military are not separate trees, but instead are one tree coming from one set of roots."

Inspectors Continue Probe on Yulgok Project

*SK2406071793 Seoul YONHAP in English 0639 GMT
24 Jun 93*

[Text] Seoul, June 24 (YONHAP)—The Board of Audit and Inspection (BAI) queried military officers, arms dealers and defense contractors on Wednesday about bribes and the Yulgok force improvement plan. A serving general-grade officer returned home after telling BAI investigators about his role in the selection of a weapons system, BAI sources said.

An official of a flare making company was asked if his firm had paid kickbacks to the defense ministry, and he claimed that it had. Two full colonels, one each assigned to the Agency for Defense Development and the Korea Institute of Defense Analysis, gave expert testimony on the performance differences between F-16 and F-18 fighters and were asked if they took any part in changing the selection from the F-18 to the F-16.

On the basis of its investigations and the testimony taken on Wednesday, the BAI would shortly summon Former Defense Minister Yi Chong-ku and Former Air Force Chief of Staff Han Chu-sok for questioning, the sources said. In its examination of bank accounts held by arms dealers and seven or eight defense contractors, the BAI became suspicious that they had paid huge kickbacks to Defense Ministry officials. An arms dealer involved in the P3C anti-submarine patrol aircraft project and four defense contractors have already been quizzed about the movements of funds from their bank accounts, according to the sources.

Meanwhile, the BAI has failed in several attempts to get in touch with Former Senior Presidential Secretary for Foreign and National Security Affairs Kim Chong-whi. Kim, suspected of having taken bribes in connection of the Yulgok plan, is known to be in the United States.

Kim: Labor Disputes To Be Settled 'in Due Course'

*SK2306121693 Seoul YONHAP in English 1050 GMT
23 Jun 93*

[Text] Seoul, June 23 (YONHAP)—President Kim Yong-sam said on Wednesday the labor disputes that have hit some Hyundai companies would be resolved in due course of time. The president said the labor and employers are in the same boat of destiny, on which hinges not only the future of labor-management but the destiny of the whole country as well.

While lunching with 55 officials of public officials training institutes at Chongwadae, President Kim said the pattern of labor disputes seems to have changed since the birth of the civilian-led administration. "One change is that there is no violence at the scene of labor disputes and workers negotiate on better wages while working," he said.

Meanwhile, Labor Affairs Minister Yi In-che, in Ulsan on Wednesday to mediate labor disputes there, said he felt responsible for the confusion that arose among the management over his "no work, partial pay" idea. He thus hinted at possible withdrawal of the controversial idea.

Speaking at a meeting of labor officials and management and labor representatives in Ulsan, Minister Yi said, "I feel responsibility as my policy idea of 'no work, partial pay' had escalated in an unexpected direction." He added that misunderstanding of his idea would dissolve with the lapse of time.

Ministries' 'Disunity' Viewed

*SK2306015193 Seoul THE KOREA TIMES in English
23 Jun 93 p 6*

[Editorial: "Disarray in Government Labor Policies"]

[Text] The three ministers concerned with labor problems have appealed to workers and management at Hyundai to resolve their wage disputes and help promote economic recovery. The ministers made the calls in a joint press conference Monday as the labor disputes at the Hyundai subsidiaries began spreading among the large manufacturing firms in the Ulsan industrial complex on the southeastern coast.

Apparently influenced by the Hyundai group labor unrest, workers at the nation's other business conglomerates including the Daewoo group have shown signs of starting collective action. The dismal development is likely to trigger a massive labor struggle and social disturbances that could lead to ruining the groundwork carried out for Kim Yong-sam's fledgling New Economy.

However, the ministers met the press without any agreement among themselves on the politically sensitive issue of wages for workers on strike due to discord between Labor Minister Yi In-che and the other two ministers. Shortly before the press interview, Trade Industry-Energy Minister Kim Chol-su told reporters that the government had confirmed that the "no work, no pay" policy was its position but the labor minister maintained later in the press conference that there was no change to his ministry's policy of "no work, partial pay."

The reformist minister further contended that his ministry is the only agency authorized to undertake labor administration, adding that his policy was to reflect a Supreme Court ruling in favor of partial pay. And assuming that Yi's stance has been backed by President Kim, the other ministers concerned seem to have refrained from challenging Yi's initiative.

It is of course conceivable that the labor minister might tend to take a preferential stand in support of workers. But this could justify the trade-industry-energy minister's inclination to guard the interests of business firms in order to promote industry and trade.

The problem is that if government agencies move to reflect the interests of their relevant sectors, they are destined to take a collision course that will impair effective and unified administration of state affairs. The three ministers should not have held the press conference, if they could not reach a consensus.

The ministers' joint conference has exposed to the public inter-ministry disunity over labor policies with the possibility of aggravating the present disputes. The Kim administration's reform drive, including progressive changes in labor affairs, should be encouraged but any premature or unrealistic policy announcements need to be refrained from so as not to confuse the parties involved and the general public as well.

Seoul 'Losing Its Battle' Against Inflation

SK1806054993 Seoul THE KOREA HERALD in English 18 Jun 93 p 8

["News Analysis" by staff correspondent Choe Nam-hyon]

[Text] When wholesale beef prices rise, consumer beef prices will rise sooner or later. But the government, determined to hold down consumer prices, will not tolerate such a natural chain of events. The government has recently lowered the consumer prices of imported beef to prevent a steady increase in domestic wholesale beef prices from leading to a rise in overall consumer beef prices.

The Ministry of Agriculture, Forestry and Fisheries says it will restore the prices of imported beef to their previous level as soon as wholesale beef prices decline to an acceptable level. Despite these and other price-control efforts, the government appears to be losing its battle against inflation: the consumer price index is now approaching the limit under which the government had hoped to hold prices this year.

In January, the government said it would curb consumer price rises to 4 percent to 5 percent this year. But consumer prices, which have already risen more than 4 percent since the beginning of the year, are now close to breaking the 5 percent level.

Government officials, however, say that this year's goal is attainable. "We are confident we will be able to keep inflation below 5 percent," says Chong Chae-yong, director general for price policy at the Economic Planning Board. Chong expects prices to remain stable until the end of August, decline during the September-November harvest season, and increase slightly in December.

His expectation, however, is precariously dependent on a big if: that the weather will permit a bumper harvest as it did last year. "We can't do anything about typhoons and floods damaging crops and vegetables," Chong says.

Last year, a bumper harvest brought down the prices of farm products 4.5 percent and helped the government achieve its goal of keeping inflation below 5 percent. Another official of the Economic Planning Board says he is worried that agricultural prices may rise substantially this year, adding that a poor harvest usually follows a bumper harvest in Korea.

The government finds few problems in other areas: prices of industrial products have remained stable since large business groups resolved in March to freeze the prices of their products for one year, and service charges have been held down in an economic slowdown. While agreeing with the government that prices will remain stable, at least during the next three or four months, the Bank of Korea forecasts a higher rate of inflation this year than does the government.

Consumer prices are expected to rise 5.3 percent, 0.3 percentage points higher than the government forecast, says a central bank official monitoring price movements. Much of the pressure will come from agricultural products, he says. "Their prices are very likely to rebound in fall."

Even if industrial output picks up steam in the months ahead, he says, it will not exert much pressure on prices. Capacity utilization can be expanded without spurring inflation because more than 20 percent of plants and equipment remains idle, the official says. In April, the rate of operation was estimated at 79 percent.

In addition, he says, there is no inflationary pressure from money supply, which has remained within its target range recently. Pak U-kyu, a fellow of the Korea Development Institute, also doubts if the government will successfully surmount inflationary pressure this year.

The rise in the consumer price index, now approaching the 5 percent level, is certain to go beyond last year's 4.5 percent. In addition, inflationary pressure will not go away. "Instead," he says, "it will simply carry over to next year. The current freeze on the prices of industrial products will become a burden for the government next year."

Pressure will come from wage increases, the declining value of the Korean won and a rise in the prices of raw materials in the world market, he says. Stimulus policies introduced during the first half of this year are expected to spur growth during the second half, which will raise wages substantially, he says.

The weakening won will raise import prices, he says. In addition, he says, it will boost exports, bring in foreign currencies, expand the money supply and raise inflationary expectations. The prices of raw materials are stable in the world market. But they are becoming more expensive to import because the Korean won is weakening against the U.S. dollar, he says.

One such example is oil prices. Though oil prices are stable in the world market, he says, the government may

have to allow domestic refiners, who have been hurt by the weak won, to raise the prices of petroleum products to make up for accumulated losses.

Minister Seeks Technology From Advanced Nations

*SK2406041793 Seoul YONHAP in English 0248 GMT
24 Jun 93*

[Text] United Nations, June 23 (YONHAP)—Environment Minister Hwang San-song told a ministerial-level meeting of the first general assembly of the Commission on Sustainable Development (CSD) Wednesday that advanced countries should introduce policies to facilitate the transfer of environment-related technology to developing countries. Hwang regretted that the advanced countries had failed to keep their promises to support the transfer of environment-related technology from the private sector and the government

to developing countries. She, however, welcomed the decision by the CSD to set up a working-level committee of specialists to support the development of environment-related technology and proposed that it prepare a report on technology transfer.

The South Korean Government's decision to donate 30 million special drawing rights to the 10th International Development Association was a part of its endeavors to share the burden to the best of its economic ability and Korea supported reformation of the global environment facility and would participate in it at a proper time, Hwang said. Korea took measures to use energy efficiently and minimize the greenhouse effect after the earth summit last year and was making preparations to ratify the convention on climate change late this year and the convention on biodiversity early next year, Hwang said.

Burma

Peasants, National Races Delegates Hold Discussions

BK2306011593 Rangoon Burma Television Network in Burmese 1330 GMT 22 Jun 93

[Text] Groups of National Convention delegates representing national races and peasants continued their panel discussions this morning in their respective meeting halls in the Kyaikkasan Grounds, Yangon [Rangoon].

The group representing the national races held its panel discussion on the prescription of the fundamental principles of the state at 1000 this morning in Meeting Room No. 1. U Mahn Ohn Maung of the Karen State chaired the meeting and U San Tun acted as secretary of the meeting.

U Aung Myint Thein of Magwe Division, U Mya Thaung, and U Min Lwin of Mandalay Division; U Aung Chit of the Mon State; U Tin Thein of the Rakhine State; and U Saw Soe Myint of the Irrawaddy Division participated in the discussions. The meeting ended at 1200 after deciding to resume the meeting at 1000 on 28 June.

The group representing the peasants held its panel discussion on the prescription of the fundamental principles of the state at 0930 today in Meeting Room No. 7. U Sai Tint Aung of Hsenwi, Northern Shan State, chaired the meeting and U Thant Zin acted as secretary of the meeting.

The meeting ended at 1025 after the following delegates participated in the discussions: U Kyi Shwe of Oktwin, Pegu Division; U Mya Thaung of Taungdwingyi, Magwe Division; U San Thein, Myede Township; U Myint Kyaw of Pyinmana, Mandalay Division; and U Tin Shein of Chaungzon, Mon State. The meeting will resume at 0930 on 23 June.

'Parallel' Cabinet Minister Disappears in Bangkok

BK2306015993 Bangkok BANGKOK POST in English 23 Jun 93 p 6

[Text] Burmese parallel cabinet member Hla Pe has disappeared in Bangkok after leaving his home in Bang Khen District five days ago, according to colleagues.

The missing minister holds the positions of minister of education and health and minister of information in the anti-Rangoon National Coalition Government of the Union of Burma (NCGUB).

Colleagues said he may have been abducted or even assassinated like Finance and Revenue Minister Win Ko.

U Win Ko was found murdered in his room at the Tea Garden Hotel in Kunming, China on February 27 after

leaving Manerplaw, the Karen National Union headquarters, to participate in anti-Rangoon activities in the northeast of Burma.

Other friends of U Hla Pe said he may have surrendered to the Burmese embassy like two other Burmese politicians, Mya Thein and Than Lwin, who gave themselves up on May 12. Both were later sent back to Rangoon.

Thai Paper Alleges Army Press-Ganging Citizens

BK2306023993 Bangkok THE NATION in English 23 Jun 93 p A6

[Article by Gary Rozema, "a social worker based along the Thai-Burma border": "Dead Bodies on the Salween Tell Tales"]

[Text] "Only two of us survived. The soldiers fired at us and I'm not sure if the others were shot or if they drowned in the river. We knew it was dangerous but we had no choice. If we had stayed we would have died like the others."

Pa Kho Ku and Khin Maung Twe were porters for the Burmese Army. They and two other friends had been abducted by soldiers and forced to carry ammunition to the front line. They were given little food and were forced to carry loads of more than 30 kilos everyday.

They knew they would soon be too weak to carry on and they would either be left behind to die or be killed by the soldiers. The only way out was to swim across the treacherous Salween River to Thailand.

The use of slave labour in Burma is not a new practice. The army, called the Tatmadaw by the Burmese, has forced its citizens to provide unpaid labour for years, using them to do everything from building roads to acting as human land-mine sweepers.

The Tatmadaw depends on slave labour for the transportation of all its supplies in the areas where there are no roads. These porters receive such cruel treatment that after only a few weeks many are too exhausted to continue and are simply left behind to die. Others are tortured, raped, and killed. Only the lucky ones like Pa Kho Ku manage to flee to safety in Thailand.

Burma has been in a state of civil war for over 40 years. Burma's ethnic minority groups are in revolt seeking autonomy from the ruling military government.

In 1988 millions of Burmese rose up against the junta but their demonstrations were brutally crushed by the newly formed State Law and Order Restoration Council (SLORC). After the massacre, thousands of dissidents joined the rebel ethnic minority forces and since then SLORC has doubled its efforts to crush the opposition.

Most of the rebel groups are based in the mountainous jungle of Burma's border regions. Before each major

offensive against the rebels, SLORC soldiers scour the surrounding areas to secure enough manpower to carry all their supplies.

In recent years as SLORC offensives have intensified, the local areas have been unable to provide the thousands of porters needed. The Tatmadaw has now resorted to collecting its slave labour from all over Burma. Pa Kho Ku and Khin Maung Twe were both abducted off a street in Mandalay, over five hundred kilometres from the front line.

Recent testimonies from other escaped porters reveal that SLORC soldiers periodically stop buses or trains and arrest everyone on board. Only those with military connections or enough money for bribes are spared. The others are all sent to the front line and are often never heard from again.

Another favoured tactic is to surround a cinema and round up everyone as they come out. In Shan State, soldiers often search the countryside at harvest time and abduct all those working in the fields.

Since 1988 SLORC has launched most of its major offensives against the Karen rebels living along the Thai border. Last October the Tatmadaw set out to capture the Karen village of Sawhta situated on the Salween River, opposite Mae Sariang District.

Pa Kho Ku and Khin Maung Twe were both used in the Sawhta offensive, together with a group of 300 other porters who were mostly from Shan State.

"We were very scared," Pa Kho Ku recalled. "We often saw the soldiers beat other porters when they were too weak to carry the ammunition. If the porter couldn't get up, he was either killed on the spot or left to die."

Pa Kho Ku said there were also about 60 women porters. "They were kept in a separate group. At night some of them were raped by the soldiers."

Most porters soon realize the only way to survive is to escape, but this is dangerous and difficult. Many porters are tied up at night and some are even tied to trees so they have to sleep standing up.

Porters who have got away said they got their chance while fetching water in the jungle. Once they got into the bush, out of sight of the soldiers, they simply started running east in the hope of reaching Thailand.

The penalties for porters getting caught are harsh. "They are beaten and sometimes tortured," Pa Kho Ku recounted. "Often the soldiers slash the porters with their bayonets. Sometimes the soldiers don't bother to kill them. They just tie the porters hands behind their backs with wire and push them into the river."

Bodies of porters who have been decapitated, bayoneted or beaten are frequently seen floating down the Salween River. The bodies are all drifting down from SLORC-controlled areas.

To the villagers living along the Salween River, the dead bodies are a part of everyday life.

Litar Mla Ku, a Karen who lives ten kilometres downstream from Sawhta, estimated at least 200 bodies have floated past his house in the last five months. "They were all porters. I would say many of them were Shan villagers because they were wearing the traditional Shan pants. About a quarter of them were women. They are usually without clothes. I think the women are raped before being killed."

Despite all this evidence, SLORC continues to deny that such atrocities are taking place. An April 9 SLORC statement claims that the only labour provided for the Tatmadaw is voluntary and that "porters recruited are never required to accompany the troops to the actual scene of battles; neither are they exposed to danger."

The dead porters floating down the Salween suggest otherwise.

Minister, Delegation Return From Geneva 22 Jun

*BK2306144293 Rangoon Radio Burma in Burmese
1330 GMT 23 Jun 93*

[Text] Lieutenant General Aye Thaung, member of the State Law and Order Restoration Council [SLORC] and minister of labor, arrived back in Yangon [Rangoon] via Singapore by Myanmar Airways at 2045 yesterday evening together with the victorious Myanmar sports contingent. Labor Minister Lt. Gen. Aye Thaung headed the Myanmar [Burmese] delegation that attended the 80th annual conference of the International Labor Organization held in Geneva, Switzerland, on 2-22 June.

The minister, delegation, and the victorious Myanmar sports contingent were welcomed at Yangon airport by Lt. Gen. Khin Nyunt, SLORC secretary-1; Lt. Gen. Tin U, SLORC secretary-2; Lt. Gen. Myint Aung, minister of agriculture; Lt. Gen. Mya Thinn, minister of home affairs; Lt. Gen. Myo Nyunt, minister of religious affairs; Vice Admiral Than Nyunt, minister of health; Lt. Gen. Thein Win, minister of transport; Brigadier General Lun Maung, minister of prime minister's office; U Khin Maung Thein, minister of energy; and departmental officials from the ministry of labor.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Returns From PRC, Comments on Vote

BK2306065693 Kuala Lumpur Voice of Malaysia in English 0600 GMT 23 Jun 93

[Text] Datuk Sri Dr. Mahathir Mohamed says he does not agree with a suggestion that the two-thirds majority vote for amending the federal Constitution be replaced by a simple majority in Parliament. The proposal was made by Speaker of the lower house, Dewan Rakyat, Tan

Sri Zahir Ismail recently. The prime minister says the two-thirds majority requirement should be retained to protect the interests of the minority. If it is done away with, the rights of the minority as enshrined in the Constitution will be challenged. He was replying to questions from newsmen at the Kuala Lumpur International Airport on his return from a 10-day visit to China.

U.S. Attitude Toward Economic Grouping Welcomed

BK2406045293 Kuala Lumpur BERNAMA in English 0356 GMT 24 Jun 93

[Text] Kuala Lumpur, June 24 (OANA—BERNAMA)—Malaysia welcomes the wait-and-see attitude of the United States on the East Asia Economic Caucus (EAEC), Foreign Minister Abdullah Ahmad Badawi said Thursday. Describing the U.S.'s current attitude as non-disturbing, he said it was a marked contrast to that adopted by the administration under former president George Bush.

At least the present U.S. administration gives opportunity to ASEAN countries to focus their attention in formulating the structure of the EAEC, he told reporters after a discussion with U.S. Deputy Secretary of State Dr. Clifton Wharton, here. He said the (?U.S. administration) wanted to see the final structure of the EAEC before giving any commitment to it. This is a good stand, he said.

Abdullah believed the U.S.'s stand could influence decision of other countries which had earlier been non-supportive to the formation of the EAEC.

On the final structure of EAEC, he said the ASEAN Secretariat had sent a working paper on the matter to all member countries. He also said the formation of the EAEC would also be discussed at next month's 26th ASEAN ministerial meeting in Singapore. He said a final decision on the EAEC could be expected during the meeting.

Minister Insists on Including U.S. in EAEC Process

BK2406093893 Kuala Lumpur Radio Malaysia Network in English 0800 GMT 24 Jun 93

[Text] Malaysia has stressed that the United States should not be excluded in the setting-up process of the East Asia Economic Caucus [EAEC]. International Trade and Industry Minister Datuk Sri Rafidah Aziz says the involvement of important countries, including the United States and the European Community, is needed as it involved trade and other aspects concerning these countries.

The minister said this to newsmen after a discussion with the U.S. Deputy Secretary of State Dr. Clifton Wharton in Kuala Lumpur. Datuk Sri Rafidah also said

that it was unfair for the Clinton administration to make any stand over the EAEC without waiting for the decision by ASEAN.

U.S. 'Righteousness' on Human Rights Criticized

BK2306134593 Kuala Lumpur Voice of Malaysia in English 0800 GMT 23 Jun 93

[Station commentary: "The Differing Perceptions of Human Rights"]

[Text] The world conference on human rights will conclude in Vienna in two days' time with a volume of resolutions proposed by the drafting body. It is highly unlikely that there will be a consensus among the delegations from around the world on all aspects of the resolutions. But as Malaysia's Foreign Minister Datuk Abdullah Ahmad Badawi has said, there will at least be consciousness of the universality of the concept on human rights.

What has been witnessed at the world conference is the persistence of the developed and advanced nations to define human rights in their own terms and according to their own likes and dislikes. They also link human rights with civil rights. They tend to ignore that each country has its own history, background, culture, tradition, religion, and its own democratic principles. Developing countries are of the view that the right to development is a basic human right.

Malaysia has been pressing hard for recognition of this right to development. The South has in fact reached a consensus on this issue and has begun laying the framework to pursue these objectives. The South countries are anxious to bring about development that is beneficial to their people.

It is beyond comprehension that the West is opposed to this view. According to Datuk Abdullah, it is because of this opposition that the progress on human rights issue has been painfully slow in Vienna. Malaysia, together with China and Iran, has been accused of obstructing the progress of the declaration on human rights. There is absolutely no basis for such accusations. Is it wrong if we point out our perception of human rights? Must we go on listening to the (?sermons dished out) by the U.S. and its agents and agree to everything they say about the definition of human rights. Is it wrong for Malaysia to bring up the question of Bosnia-Herzegovina and question the steps being taken to resolve the problem prevailing there.

As Malaysia's representative to the Commission on Human Rights Datuk Musa Hitam said, Malaysia is sickened and depressed listening to the talk of righteousness coming from the U.S. at the Vienna conference. The U.S. cannot expect others to listen to its lectures on (?good values) when all it does about the human rights violations in Bosnia is to fold its arms and pretend nothing is happening. Pakistan, with Malaysia's support, has tabled a special declaration on Bosnia. It will come as

no surprise if the motion is chased out by the developed nations, especially the U.S. and the European Community, EC.

The world conference on human rights has come at an appropriate time when some of the most serious human rights violations are taking place in different parts of the globe. It is to be hoped that there will be some good resolutions passed and that action will be taken today to implement them.

Minister Proposes UN Session on Bosnian Issue

BK2306150993 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 23 Jun 93

[Text] Malaysia has proposed that the United States obtain international support through a special UN session to seek a conclusive decision on the Bosnia-Herzegovina issue. Foreign Minister Datuk Abdullah Ahmad Badawi said the United States should take up this proposal if the UN Security Council fails to reach a decision on an earlier proposal submitted by Pakistan. Malaysia's proposal should be taken up in view of the scrapping of the earlier U.S. military option against Serbian troops and the failure to lift the arms embargo against the Bosnian Muslims due to the absence of European countries' support.

Datuk Abdullah made the remarks after he held talks with U.S. Deputy Secretary of State Dr. Clifton Wharton at Wisma Putra [Foreign Ministry], adding that it is time for the world body to hold a special meeting to seek a consensus on security. Efforts toward such an objective will be successful if they are supported by the United States which will ensure the international community's participation and adoption of a resolution which justifies action against the Serbs.

Somali Delegation To Enforce Peace, Not Fight

BK2206100693 Kuala Lumpur BERNAMA in English 0928 GMT 22 Jun 93

[Text] Kuala Lumpur, June 22 (OANA-BERNAMA)—Malaysian soldiers serving as United Nations forces in Somalia will only enforce peace and not engage in combat, Defence Minister Najib Razak said Tuesday.

Our mission is to enforce peace and not to engage in combat, he told reporters here.

Malaysia is sending 870 men to Somalia.

Najib said the soldiers had been directed to use weapons as a last resort, and even then to the minimum.

The Malaysian soldiers will be among the troops from 18 countries despatched to the African country under the United Nations operation in Somalia (UNOSOM II). The advance detachment of 50 personnel left four days ago and was reported to have arrived in Mogadishu Monday.

Najib said the advance detachment was preparing the ground in Somalia for the main body of soldiers to be despatched there in stages between June 29 and July 4.

Sabah Chief Minister Criticized for Salary Raise

BK2006120793 Kuala Lumpur UTUSAN MALAYSIA in Malay 22 Apr 93 p 8

[Editorial: "Self-serving politics in Sabah"]

[Text] The move by Sabah Chief Minister Datuk Pairin Kitingan to raise the salaries of the state's chief minister and deputy chief minister, the speaker, deputy speaker, and members of the State Legislative Assembly, as well as the state's political secretary is a clear example of how power is being abused to serve personal interests. Many people view the decision to raise Datuk Pairin's salary from 7,000 ringgit to 13,000 ringgit (excluding other allowances) as unreasonable.

People are surprised and frustrated to see how Pairin has misused the state budget, which should have been used to finance development projects but has instead been used to strengthen the position of his own PBS [Sabah United Party].

Against the background of an unstable economic and political situation in Sabah, Pairin cannot escape criticism that PBS has clearly abused its power so as to strengthen its position in Sabah.

The increased salary is not on the same level as the salaries of chief ministers in other states, which have more stable economies and have attracted many foreign investors. Prime Minister Datuk Sri Dr. Mahathir himself said the salary increase approved by the Sabah State Legislative Assembly has surpassed the level of other states.

Dr. Mahathir said the decision shows that Datuk Pairin has used the federal government's budget to bribe USNO [United Sabah National Organization] members of parliament because the salary increase does not reflect Sabah's current economic situation. Datuk Pairin cannot deny the fact that the salary increase is aimed at luring USNO members of parliament to join his coalition government.

In this case, we strongly support the action taken by the six USNO members to side with UMNO [United Malays National Organization] so as to continue the struggle for the benefit of the people. The six are the true leaders of the people because they can put aside luxury and personal interests and save Sabah people from money politics and self-serving politicians. Actually, Sabah is now suffering from great losses, especially in terms of development, due to Datuk Pairin's actions, which will worsen the state's economic situation.

If Datuk Pairin believes that his political bribery tactic will weaken UMNO, he is definitely wrong. UMNO will

in fact be stronger and more powerful in dealing with Datuk Pairin's political maneuvers in Sabah.

We believe that our people have given the leaders a mandate to rule the country with wisdom and use the natural resources so as to accelerate economic growth, instead of serving their own personal interests.

We must prevent the people of Sabah from being cheated by transitory luxury while in reality the state's economy is under Damocles' sword. We are afraid Datuk Pairin will only bring Sabah into illusory success.

Cambodia

Soldiers, Policemen Urged To Desert Phnom Penh Regime

BK2406042393 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 23 Jun 93

["Appeal to the Puppet Soldiers and Policemen;" place, date not given—read by announcer]

[Text] Dear compatriots, soldiers, and policemen who are being forced by the Yuon [derogatory term referring to the Vietnamese] and the Yuon puppets to carry guns to fight and kill the nation and people:

1. Have you seen how Yuon puppet leaders are fleeing from villages, communes, districts, and provinces? And have you seen the people's forces chasing and destroying the Yuon aggressors' cheap lackeys, who are traitors who have been selling the nation to the Yuon for 14 or 15 years?

2. Have you seen Yuon puppet army leaders of the ranks of colonel, brigadier general, lieutenant general, and general in various military regions and divisions fleeing from battlefields? And have you seen those puppet military leaders rushing to Phnom Penh asking their families to pack their belongings?

3. Have you seen the prince father now becoming the head of the state of Cambodia and commander in chief of all the Cambodian armies? Have you seen Prince Norodom Ranariddh now becoming a prime minister assuming the control of the ministries of Defense and Police? And have you seen the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party now taking up the Finance Ministry to manage funds?

4. That being the case, should you continue to remain persistently in the bonfire of the state authorities of the Yuon aggressors and their puppets or should you rise up in every village, commune, districts, and provinces as well as military and police units and immediately cut loose from the Yuon enemies and the traitorous puppet leaders? You should grasp this opportunity, not wait until it is too late, to join the nation and the prince father

so you, yourselves, and your families can continue to survive and you can have your salaries to sustain your lives.

You should hurry up, hurry up, hurry up! You should not further embrace the Yuon enemies and the puppet leaders. You have the prince father and the entire nation and people waiting to welcome you. Also your parents, wives, children, and relatives are all waiting for you. You are urged to break loose from the Yuon enemies and puppet leaders immediately, immediately, immediately!

Correction to Sihanouk on Provisional Government

BK1806013493

The following correction pertains to the item headlined "Sihanouk Details Provisional Government Formula", published in the 17 June East Asia DAILY REPORT, pages 35-39:

Page 35, column two, first paragraph, only sentence make read: ...Samdech Son Sann have kindly joined.... (deleting extraneous word "who");

Page 37, column one, last paragraph, fifth sentence make read: ...asked them what we should do now, now that.... (deleting extraneous word "would");

Page 37, column two, first complete paragraph, second sentence make read: ...the leading role they meant that the prince.... (adding dropped word "they").

Indonesia

Daily Views OPEC's Declining Role, Irrelevance

BK2306144593 Jakarta MERDEKA in Indonesian 8 Jun 93 p 4

[Editorial: "OPEC Is Becoming Inconspicuous"]

[Text] Oil-producing countries, particularly OPEC (Organization of Petroleum Exporting Countries) countries are currently facing a dilemma. They are now at a crossroad on whether to continue upholding the existence of the perpetually unstable organization or to quickly dissolve it and be rid of a moral burden.

The issue of whether OPEC's existence should be upheld or otherwise will always hark back to whether the organization could bring about just, proportional and lucrative oil prices for all its members.

Current oil prices in the international market remain unchanged as in previous years at below U.S.\$21 a barrel. Since early this year, oil prices in global markets have never exceeded U.S.\$18 per barrel and in previous weeks, oil price in real terms have fallen below U.S.\$17 per barrel.

OPEC, in its effort to raise oil prices, looks as if it is continually making agreements on oil production

quotas. For example, the agreement it achieved at last year's meeting, among other things, stated that all members agree to reduce their oil production to only 23.58 million barrels per day.

But according to a statement based on a survey conducted by the British REUTER news agency, OPEC's oil production in May this year reached an average of 24.15 barrels per day or 370,000 barrels per day above the agreed quota.

Certain countries have violated the quota agreement but no one dares to raise the issue and this is the main reason for static oil prices in the international market. Hence, it is difficult to check against falling international oil prices as some major oil-producing countries are shoring up their oil exports at certain periods.

If we conduct an in-depth study, recent violations of OPEC's oil production quota would indicate that such actions are getting out of hand and becoming more unethical. The Middle East countries are the main violators of the quota and have been competing in oil production in recent weeks.

The violation of OPEC's oil production quota will definitely affect oil prices, and consequently Indonesia in a direct and negative way.

According to Mining and Energy Minister I.B. Sujana, in facing such an unprofitable situation, Indonesia will prevail upon OPEC to embark on oil production cut-backs during the third quarter of this year to stabilize international oil prices.

During the OPEC conference scheduled to be held in Vienna, Austria on 8 June 1993, Indonesia will propose that OPEC's oil production stays below 24 million barrels per day. This is important in the effort to raise oil prices.

But many of the organization's members will ask if such a consistent attitude would be appreciated by other OPEC members.

If we conduct a deeper study, OPEC is currently considered an inter-ministerial organization catering to oil ministers of member countries. Thus, its laws are considered minimally effective. It is also seen as an organization of oil ministers who base their cooperation on mutual trust.

As a result, its imposition of sanctions on oil-producing countries is without grounds. Such a condition could result in OPEC being dissolved at any given moment because there would be no more trust among members. This is a pressing problem.

Several analysts have predicted that OPEC would finally be dissolved because the Middle East oil-producing countries no longer consider OPEC important. In fact, several countries feel that OPEC has been repressing their oil production.

OPEC's collapse and dissolution could be hastened when Western countries, particularly the United States, continue to create conditions, such as those which occurred recently. Such conditions which include a plan for an energy tax will definitely cause hardship among countries whose economic well-being greatly depend on oil exports.

Therefore, if no agreement is reached during the upcoming OPEC Conference to reduce oil production to below 24 million barrels per day, then Indonesia, with its consistent attitude, should not hesitate from withdrawing from OPEC. This is important in upholding the country's authority and credibility.

OPEC's stability truly depends on its member countries' attitude and actions. As such, oil-consuming countries will definitely manipulate oil prices if there was no political request by all OPEC member countries to reduce its oil production.

Minister, Japanese Envoy Sign Aid Agreement

*BK2306130393 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 23 Jun 93*

[Text] Japanese ambassador to Indonesia, Kimio Fujita, and Ad Interim Foreign Minister, Susilo Sudarman, representing their respective governments, signed in Jakarta today an 88-billion rupiah financial assistance agreement on the implementation of three projects for Indonesia. The projects are the building of an emergency ward at Surabaya's Dr. Sutomo Hospital, the development of a water filtration plant in Yogyakarta and the first stage of a program to increase food production.

The three projects form the realization of Japan's financial assistance for the 1993 fiscal year.

According to the Japanese ambassador Kimio Fujita, since 1966 Japan has provided Indonesia with Official Development Assistance, ODA, amounting to U.S.\$12 billion, and other assistance totalling U.S.\$1.4 billion.

East Timorese Seek Asylum, Start Hunger Strike

*BK2306155093 Hong Kong AFP in English 1526 GMT
23 Jun 93*

[Text] Jakarta, June 23 (AFP)—Seven East Timorese men seeking political asylum at two Scandinavian embassies here Wednesday said they had started a hunger strike until a decision was made on their request.

"Now, we begin a hunger strike until we get a decision from the Swedish government," said Florencio Anunciacao Fernandes, 22, speaking for himself and two other East Timorese holed up inside the Swedish embassy here since Wednesday afternoon.

"In case the Swedish government rejects our demand, we will refuse to leave the embassy. We will go on a hunger strike until a decision is taken," Anunciacao vowed.

Four other East Timorese, seeking political asylum at Finland's embassy in Jakarta, which is housed in the same building as the Swedish mission, told reporters who were just outside the grounds that they were also on hunger strike. The four were stopped at the Finnish embassy reception area where they demanded to speak to a diplomat. After several hours, they spoke with a high-ranking envoy who asked them to leave. But all seven have refused to leave the embassies grounds, where they are diplomatically outside the jurisdiction of Indonesian authorities.

Anunciacao said they saw themselves as political refugees, demanded that their cases be settled according to international law and rejected any form of guarantee from the Indonesian government. East Timor is a former Portuguese colony, annexed by Indonesia in 1976. The annexation is not supported by the United Nations, which still recognises Portugal as the region's administrator.

Special branch Indonesian plainclothes police, as well as uniformed police and soldiers, were in the corridors just outside both missions.

Prominent Indonesian human rights activist Haj Johannes Princen told reporters just outside the embassy he had been invited by the Swedish diplomatic corps to negotiate on behalf of the three East Timorese.

"It is quite possible that they will not give them asylum," Princen told the journalists, adding he was awaiting contact with Indonesian foreign ministry officials.

A Swedish diplomat said it was the policy of the Swedish government not to grant asylum at embassies, but only on Swedish soil.

Both embassies were awaiting further instructions from the respective foreign ministers, Swedish and Finnish diplomats said.

The seven, aged 20 to 27, say they have been persistently pursued by Indonesian security forces and otherwise persecuted. Both groups carried identical statements, requesting political asylum "as persecuted individuals who fear for their lives." According to brief biographies accompanying their statement, the seven were being pursued by Indonesia's military for alleged separatist activities.

Most were present at a demonstration in the East Timor capital of Dili in November 1991 when soldiers opened fire on the crowd, killing 50, according to an official Indonesian inquiry, and 115 according to witnesses of the bloodshed. Mateus Brito Ximenes, 23, and Oscar Goncalves da Silva, 20, two of the four at the Finnish embassy, said they had been seriously wounded during the November incident but they both managed to flee with Roman Catholic nuns treating their wounds.

In a copy of their statement obtained by AFP, the seven said the Indonesian army was trying to arrest them and

use them to prove they were among those the government listed as missing, but not dead, after the Dili massacre.

"Our names, however, are not included on either the list of killed or missing, and this is purely and simply a tactic of the Indonesian government aimed at improving their image at the U.N. world Conference on Human Rights, currently taking place in Vienna," the seven said in their statement.

The latest official toll said earlier this year that 61 people remained missing after the shooting.

The two others in the Finnish Embassy were Clementino Faria, 27 and Ventura Valentim da Consecacao, 23, while the three in the Swedish embassy besides Anunciacao were Porfiro da Costa Oliveira, 23, and Jose Manuel de Oliveira Sousa, 24.

UNHCR To Intervene

BK2406074093 Hong Kong AFP in English 0624 GMT 24 Jun 93

[Text] Jakarta, June 24 (AFP)—The Indonesian representative of the U.N. High Commissioner for Refugees (UNHCR) was expected at the Finnish embassy here Thursday to discuss the case of four East Timorese seeking political asylum. The four pro-independence activists, claiming persecution by Indonesian security forces, have asked for asylum at the Finnish embassy, while three others have made the same demand at the Swedish embassy.

UNHCR representative David Jamieson would discuss the situation with the asylum seekers in the presence of the Finnish ambassador, said Indonesian human rights activist Haj Johannes Princen.

Princen, who was chosen by the two Scandinavian missions—which have refused to extend asylum—to act as mediator in the case, said he would also attend the meeting.

The seven East Timorese, aged between 24 and 27, reportedly began a hunger strike Wednesday to press their demands for political refugee status in the Scandinavian countries. The asylum seekers in the Finnish embassy "might be willing to leave" with Jamieson, Princen told AFP by phone, adding however that they "still want to leave Indonesia."

Princen, who did not specify whether Jamieson would also visit the Swedish embassy, said he was "optimistic" regarding the attitude of the Indonesian authorities—including the military—towards the East Timorese.

East Timor, a former Portuguese colony, was annexed by Jakarta in 1976, but the move has not been recognised by the United Nations.

The UNHCR office in Jakarta was uncontactable Thursday, and no Indonesian officials were available for comment on the case.

The two embassies have been closed to the public since Thursday morning. "We are closed. We just received the order 30 minutes ago," an employee at the Swedish embassy said over the entrance intercom.

A Swedish diplomat contacted by phone would only say that "nothing has changed since yesterday. If you want to know more, you have to ask the foreign ministry in Stockholm."

At the Finnish embassy, the four East Timorese were visible through a locked glass door in the reception area. The four, sitting on a bench, arms crossed and staring into space, had been provided with food and water which they did not appear to have touched.

"In the circumstances, the embassy was unable to function normally," a Finnish diplomat said by phone.

Under Swedish and Finnish regulations, applications for political asylum can only be made at borders or on Swedish and Finnish soil, but not in their embassies abroad.

In a communique issued in London on Wednesday, the human-rights watchdog Amnesty International called on the Swedish and Finnish governments to "offer the seven protection and to facilitate their departure from Indonesia. It also demands that the Indonesian authorities allow them to leave the country."

Military Chief Denies 'Reconciliation' With Dissidents

BK2406042493 Jakarta THE INDONESIA TIMES in English 17 Jun 93 p 1

[By our reporter]

[Text] The commander-in-chief of the Armed Forces, General Feisal Tanjung, stressed there is no political background or question of reconciliation in the visit of Ali Sadikin and his friends to the naval yard P.T. PAL at Surabaya some time ago.

He made the comment replying to questions from MPs in a hearing with the DPR (House of Representatives) here on Wednesday. He said Ali Sadikin, a retired marine general, had a historic share in the naval yard and he just wanted to see its progress.

Ali Sadikin was invited by State Minister for Research and Technology/Chairman of Strategic Industries B.J. Habibie. "That's all," he said. "Don't make too much fuss about it," he asserted.

Replying to a question, he emphasized that the invitation was designed only for the individuals and had nothing to do with the "Petition of 50 Group." He dismissed allegations of "reconciliation" between the government and the "dissident group." He also stressed it was too early to comment whether the travel ban on Ali Sadikin and friends would be lifted.

Asked about reports on "extreme left, extreme right, and other extremes" [as published] as had often been mentioned by officials in the country, he said the extreme left are marxists/communists and extreme right are the hard-liners who fight with the disguise of religion. Other extremes are those who "wanted the ways of liberalism in the country."

As for the Ligitan and Sipadan problem, he said, it was being solved through brotherly spirit and ASEAN solidarity.

An MP also asked about the statement of State Minister for Research and Technology B.J. Habibie on the intended purchase of 100 Hawk fighters by Indonesia. General Feisal denied any difference between the statement of Air Force chief and Habibie's on the subject.

He admitted that an initial purchase of 24 Hawk fighters had been launched for the Fourth Strategic Plan (1988-93).

The contract had been signed by Air Force chief on 27 May 1993. "The first three planes will arrive in 1995, and the remainder in 1996" he said.

As for Habibie's statement about the purchase of 100 Hawks, it was in conjunction with the Second Long-Term Development (until the year 2018). In the coming 25 years, he said, the present F-16 five squadrons will already be regarded as obsolete.

In the hearing, the Armed Forces chief was flanked by Army Chief of Staff Lt. Gen. Wismoyo Arismunandar, Navy Chief Vice Admiral Tanto Kuswanto, Air Force deputy [chief] for planning, and Police Chief Lt. Gen. (Police) Banurusman.

Laos

Burmese, U.S. Envoys Meet Assembly Chairman

BK2406094193 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 24 Jun 93

[Text] On 23 June, at the National Assembly Hall, U Maung Maung Lay, ambassador of the Republic of Myanmar to Laos, and Charles B. Salmon, ambassador of the United States to Laos, separately paid courtesy calls on Saman Vi-gnaket, chairman of the National Assembly.

On this occasion, the National Assembly chairman was congratulated by the two envoys on his appointment as chairman of the assembly. Saman Vi-gnaket also exchanged views with the guests about present relations and cooperation between Laos and the two countries. They all concurred that such ties and cooperation have improved and developed and were confident that for both the immediate future and in the long run relations will be further promoted and expanded under the principle of mutual interest.

The U.S. ambassador took this opportunity to bid farewell to the National Assembly chairman before returning home to assume a new duty.

President Visits Three Northern Provinces

BK2206054593 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 22 Jun 93

[Text] President Nouthak Phoumsavan visited and addressed administrative officials, soldiers, police, and people in some areas of Luang Prabang, Phong Saly, and Luang Namtha Provinces in the northern region between 18 and 21 June. During the four-day visit to the three northern provinces, the president held working meetings and chatted with provincial governors, district chiefs, village headmen, and people of Khai and Luang Prabang districts, Luang Prabang Province. He also met with provincial governors, district chiefs, heads of various services, soldiers, police, and senior cadres of Phong Saly and Luang Namtha Provinces. In each meeting, President Nouthak Phoumsavan praised and hailed their successful achievements in carrying out national defense and public security maintenance and socioeconomic development work in each locality. He particularly hailed agricultural production which, as he viewed, has been considerably developed, and which has thus brought about gradual improvement to the multiethnic people's living conditions.

The president noted: Along with this, the popular democratic system has been extensively consolidated while the socioeconomic development plan of the party and state has been fruitfully implemented in many sectors of work. As a result, political tranquillity has been maintained throughout the country. This has proved the correct and just line of our party and government.

President Nouthak Phoumsavan also gave instructions to the local administrations of various levels on how to guide and lead the people to fulfill the task of defending and building the country in the new stage and to lead the nation to firmly advance on the spirit of promoting and expanding the multiethnic people's rights to be owners of the country. On this occasion, the president, on behalf of the party and government, expressed concern and sympathy for the multiethnic people, who have faced various difficulties in earning their living. He reiterated that the party and government have always paid close attention to the people's problems. He expressed the hope that the difficulties will be settled step by step.

In his visit to the three northern provinces on this occasion, the president of state was accorded with a warm welcome by the administrations, cadres, soldiers, police, and people in each locality.

Thailand

Official Previews New Security Dialogue With U.S.

BK2406022793 Bangkok THE NATION in English 24 Jun 93 p A1

[By Kawi Chongkitthawon]

[Text] Thailand and the United States will begin a new bilateral dialogue next week in Washington aimed at restructuring their security and defence cooperation in the post Cold War era.

The Bilateral Consultative Forum on Security, as it is called, represents the first time that the two countries will discuss security matters with the participation of non-military officials, according to authoritative sources.

The high-level meeting, scheduled for June 28, will be chaired by Winston Lord, assistant state secretary for Asia and Pacific affairs, and Permanent Secretary for Foreign Affairs, Pracha Khunakasem.

The seven-member Thai delegation will include National Security Council chief Gen Maj [General Major] Charan Kunlawanit and Director of American and Pacific Affairs Sarasin Wiraphon.

Senior officials from the armed forces and National Intelligence Board will also attend.

The new bilateral forum is a joint attempt by the two allies to assess the security environment and changes that have taken place in the region since the collapse of communism in Europe and the end to East-West confrontation.

The forum will be used to exchange views on ways to improve and strengthen security and defence cooperation between the two countries.

The sources, who asked not to be named, said the idea was first discussed during a visit to Washington at the end of last year by a group of senior Foreign Ministry officials to get acquainted with the new US administration.

Recently Washington indicated to the Foreign Ministry that it would be willing to hold a bilateral security forum, the sources said.

Thailand is the first country to have such a dialogue with the United States.

A separate discussion with a military official indicated that both countries want to look for new avenues, and at the same time strengthen security and defence cooperation which has gone through a difficult period in the past few years.

Washington severed economic and military aid to Thailand after the coup in February 1991. The subsequent

political violence in May last year further worsened Thai-US ties when the military killed scores of peaceful demonstrators on Bangkok's streets.

"We want to keep the Americans engaged in the region, including Thailand," the official said.

He also expressed the hope that with such dialogue Thailand and the United States would be able to work more closely and shape the future direction of security and defence ties.

He said Thailand would like to see the United States increase its training and military assistance to Thailand so that military officials are able to study in the United States.

Over the years, Washington has reduced training assistance. Last year, it was worth US\$2 million. Scholarships for dozens of military officials were severed when the United States cut off aid in 1991.

The source said Thai-US ties do not have only a trade and economic dimension, which has been highlighted by the media and the policies of the Clinton administration.

"The trade issue should not override the importance of the US role in Thailand's security and defence capability," the official said.

Official on Draft Amendment to Copyright Law

*BK2406021193 Bangkok BANGKOK POST in English
24 Jun 93 p 22*

[Text] The Commerce Ministry has finished its draft amendment to the 1978 Copyright Law to meet United States' demands.

It will comply with Trade Related to Intellectual Properties (TRIPs) category of the General Agreement on Tariffs and Trade (GATT).

Commerce Permanent Secretary Phatchara Itsarasena, after chairing the working group which considered the amendment, said the draft would go before the Cabinet next week to ensure it passes through Parliament before the session closes in July.

Thailand has promised the change will be implemented in July. The US had asked Thailand to amend the law to comply with TRIPs and the Paris Act of the Bern Convention.

After the draft is passed by the Cabinet it must go to the Juridical Committee and then back to the Cabinet before it is submitted to Parliament. The five weeks remaining before the end of July is a very limited time frame in which to pass the amendment.

Mr Phatchara said protection of copyright works would extend to computer software, the showing of actors' performances and rental rights.

Computer software will be protected as "literature". Actors who perform any stage show will have the right to protect their performances and can demand compensations for allowing recorded works to be shown elsewhere.

Rental rights protection extends the coverage of the present law to cover the repeating, adjustment and initial publicity given to literature, music and other arts.

To increase the effectiveness of crackdowns on piracy of cassette tapes, video tapes and compact discs, penalties under the draft amendment have been doubled to fines ranging from 40,000 to 400,000 baht or two years jail or both.

The articles that needed the Cabinet's decision included whether or not officials would be appointed to implement the law, the authority of the officials to inspect a factory during its operation regardless of time, the authority to seize machines, cars used in the piracy, and to give rewards to those persons who could lead to the crackdowns.

Mr Phatchara said the Cabinet must decide whether to grant authority for the Intellectual Property Department director-general to collect fines from piracy.

Suphachai Plans 'Offensive' During U.S. Trade Talks

*BK2406025593 Bangkok THE NATION in English
24 Jun 93 p B2*

[Excerpts] Deputy Prime Minister Suphachai Phanitchaphak is planning to take the offensive during his visit to Washington next month, asking his US counterparts to review air aviation rights and a draft of the double taxation treaty between Thailand and the United States.

Suphachai will also ask the US to review text in the Thai-US Treaty of Amity of 1466, which left Thailand at a disadvantage vis-a-vis the US. Suphachai declined to elaborate further.

Suphachai will lead a team of Thai officials to Washington to talk with the US trade officials next month, before the US Trade Representative [USTR] Mickey Kantor is scheduled to decide whether to implement measures retaliating against Thailand on July 31.

Suphachai will discuss a package of unresolved issues with US officials.

The USTR has placed Thailand on its priority foreign country (PFC) watch list due to concern over inadequate protection of intellectual property rights and pharmaceutical patents in the Kingdom. Thailand is subject to trade retaliation without advance notice under the Special 306 section of a US trade law designed to force resolution of long standing trade disputes.

But the Thai deputy prime minister said progress on the issue of intellectual property rights requires some facilitation by the US government.

The Thai government considers the current bilateral aviation agreement unfair to Thailand in the sense that Thai overflights of the US are limited while US airlines can pass over Thailand via the "fifth freedom" provision of the bilateral agreement.

The Thai government will also ask US officials to consider some details of the draft of the double taxation treaty now under negotiation. Once the double taxation treaty comes into force, Thai and American businessmen will not have to pay taxes to their home country on earnings for which they have already been taxed by the host country.

The US has demanded that the Thai authorities amend the Patent Act and the Copyright Act to tighten enforcement.

Suphachai said that the Thai government has already submitted a report informing his US counterparts of the scope of authority of the Pharmaceutical Patent Board as well as the specific conditions under which the Thai government can revoke a patent holders' right to exclusive marketing privileges in Thailand.

Thailand might satisfy the US on the patent issue, but Suphachai expressed concern that Thailand might find it difficult to amend the draft of the Copyright Act.

The Thai government is planning to amend some provisions of the Copyright Act BE 2521 to conform with the Trade Aspects Related to Intellectual Property Rights (Trips), written by the Arthur Dunkel, director general of the Gatt.

Suphachai said since agreement on the Uruguay Round provisions has not yet been reached, it is difficult for Thailand to predict how the final version of Trips will read, and whether the suggested language of Trips will conform to what is demanded by the US. [passage omitted covered by referent item]

The House of Representatives yesterday appointed Deputy Commerce Minister Churin Laksanawisit as chairman of the committee to consider Thai-US trade frictions. The vice chairmen include Khanin Bunsuwan, Samphan Loetnuwat and Sutham Saengpathum.

The Committee will take 30 days to consider the current trade disputes between Thailand and the US, especially intellectual property rights and the human rights issue, before proposing guidelines for government action prior to the deadline, July 31, when the US will decide whether to impose trade sanctions against Thailand.

Suphachai To Hold Talks With Japanese Group

*BK2406020793 Bangkok BANGKOK POST in English
24 Jun 93 pp 13, 22*

[Text] Deputy Prime Minister Suphachai Phanitchphak will meet Japanese leaders on Monday as part of the Cairns Group of agricultural exporting nations' attempt

to keep up the pressure on the economic superpowers to conclude world trade talks this year.

Accompanying him will be Australian Trade Minister Peter Cook, who chairs the Cairns Group, and Argentine Agriculture Minister Felipe Carlos Sola. All three will fly directly to Tokyo immediately after this weekend's Cairns Group meeting in Bangkok.

The Cairns Group, whose members complain that they are suffering from the agricultural subsidies and protectionism of the major economies, have two immediate objectives.

They want to keep up the momentum towards concluding the dead-locked Uruguay Round of world trade talks this year and to encourage the Group of Seven (G7) leading industrial nations to work towards a breakthrough when G7 leaders meet in Tokyo on July 6 and 7.

At the same time, they want to ensure that whatever the G7 agree will take into account the concerns of medium-size and smaller countries.

Cairns Group ministers are already acknowledging that the defeat of the Japanese Government and the calling-off snap elections later next month present a setback for their hopes.

Japanese Prime Minister Kiichi Miyazawa is now only a caretaker premier and is highly unlikely to commit Japan to any concessions at the G7 Summit.

Dr Suphachai said the Cairns Group representatives would talk to Mr Miyazawa anyway, not as head of the Japanese Government, but as the G7 host. Although Dr Suphachai will return to Bangkok almost immediately, Senator Cook will stay on in Tokyo to press the Cairns Group's case with various Japanese officials.

Speaking to the BANGKOK POST yesterday, both Dr Suphachai and Mr Cook argued that despite the problems in Japan, the Uruguay Round still could be concluded this year.

Mr Cook took heart from the fact that US President Bill Clinton has now been granted a renewed negotiating mandate known as "fast track", while both Mr Cook and Dr Suphachai argued that the major world economies are in such a desperate state that their leaders badly need the boost that an Uruguay Round deal is thought likely to give to the world economy.

Dr Suphachai said the suggestion that he should travel to Tokyo was only made about a week ago. This opens up the possibility that Australia and some other Cairns Group members might have some doubts about the effectiveness of Canada as a spokesman for the group in G7.

Despite its membership of the Cairns Group, Canada has all along been a less radical advocate of farm trade reform because of Ottawa's desire to continue to protect its dairy industry. And on Monday a new row broke out

when Australia and New Zealand complained about Canada raising tariffs on imported beef.

The Cairns Group has not yet decided how specific its comments to G7 will be. Dr Suphachai said Thailand is among several members who propose that the Cairns Group should comment on some parts of the bilateral agreement on agricultural reform reached by the United States and European Community late last year.

For example, Thailand is unhappy that the agreement, known as the Blair House Agreement, prescribes only small cuts in subsidies, offers a number of loopholes, and sets broad targets for the entire agricultural sector rather than for individual products.

Dr Suphachai said this opens up the possibility that the United States and the EC might only reduce subsidies and protectionism on products of mutual interest, leaving products of concern to Thailand unchanged.

The Cairns Group's dilemma, he and Mr Cook said, is whether to criticise the Blair House Agreement and risk unravelling the product of some of the most difficult negotiations between Washington and Brussels, or whether to accept the Blair House Agreement with all the risks it poses for Cairns Group members.

Prasong on Poland, Romania Visit, Human Rights
BK2306135293 Bangkok Army Television Channel 5 in Thai 1200 GMT 23 Jun 93

[Text] Foreign Minister Squadron Leader Prasong Sun-siri said that he had tried to explore market and investment opportunities for Thai businessmen during his visit to Poland and Romania as Eastern European countries have changed towards democracy.

[Begin Prasong recording] There are chances for our businessmen to do business in Eastern Europe, such as Poland and Romania. Poland, like Romania, is a gateway to Eastern Europe. I visited Gdansk in Poland, a city on the Baltic Sea leading to Northern Europe. I will ask for establishment of an honorary consul general in Gdansk to help Thai people who want to do business there. [end recording]

In addition, the foreign minister also summed up results of the human rights meeting in Vienna, Austria. He said that he had explained the government's policy on human rights to the meeting and had pointed out that it is difficult to set up the same human rights standards for all countries because each country has different social conditions.

Prime Minister Discusses Cabinet Reshuffle

BK2406021993 Bangkok THE NATION in English 24 Jun 93 pp A1, A3

[By Sorayut Suthatsanachinda—all quotation marks as published]

[Text] Prime Minister Chuan Likphai reiterated yesterday that the imminent Cabinet reshuffle would be limited to filling the new labour portfolio only, and that current Cabinet members would not be removed against their will.

However, during an exclusive interview with THE NATION yesterday, Chuan did not rule out the possibility of Social Action leader Montri Phongphanit joining his Cabinet in the reshuffle.

"Apart from finding a labour minister (and one or two deputies), I have never thought of anything more than that," Chuan said.

The prime minister's current Cabinet comprises 48 ministers and deputy ministers, the maximum number allowed by the Constitution.

The formation of the Labour Ministry, pending an announcement in the ROYAL GAZETTE, means the number of deputy ministers overall will have to be reduced.

Chuan said whether or not the reshuffle will be a large-scale one depends on the ministers themselves.

"I have told all ministers that if they are not happy with their current job and need a change, they should come to me and I will look into it. But so far nobody has come to me," the prime minister said.

"If there is to be such a (large-scale) reshuffle, I will tell affected persons in advance. I will really do that."

Asked about speculation that Montri may be included in the Cabinet in the reshuffle, Chuan said: "We have never talked about that. I intend to talk with him sometime soon. But since I have not met him yet, I can't make any prediction."

Montri remained tight-lipped over the possibility yesterday, telling reporters to "ask the prime minister" instead.

"My party is not demanding anything. You'd better ask the prime minister," the Social Action leader said.

Wide speculation has it that Montri might replace Commerce Minister Uthai Phimchaichon, who bore the blunt of opposition attacks at the recent censure debate.

Uthai, leader of the Solidarity Party, was known to have reluctantly accepted the commerce portfolio when the Chuan Cabinet was formed last year.

The Solidarity Party said yesterday it believed the upcoming reshuffle would not affect Uthai, but vowed to respect any decision made by Chuan in the shake-up.

"The party leader has been given assurances from the prime minister and other persons concerned that there will not be a (commerce) reshuffle," deputy party spokesman Ekkaphap Phonsu said.

"We are a small party which is not in a position to make comments on the reshuffle. It all depends on the prime minister. And if a reshuffle (which affects Uthai) actually takes place, the Solidarity is ready to work for any (new) ministry."

Chuan yesterday listed "greater trust" among the five coalition partners as his major achievement.

"It's hard to make five political parties work together in unison. (But) there has been a considerable increase in mutual respect and efforts to foster the delicate relationship," he said.

Chuan said that to coordinate the five parties, he needed to play an active "off-of-the-field" role.

"For example, when an issue threatened a major split in the Cabinet, we tried to informally sort out our differences outside the Cabinet meeting room first.

At least we got some ideas on how to handle the issue (when the Cabinet later takes it up).

"I have had to play an off-of-the-field role. Deputy Prime Minister Banyat Banthaththan is helping a lot, so are leaders of the other four parties.

We are sincerely helping each other. When something happened, we had private talks to try to solve it.

"I know that in the past many people were not so sure whether they could trust me. I understand that well.

"They might have felt worried, or did not know me well enough," he said.

Responding to criticism that he was too aloof over poor performances of some ministries, Chuan said a supervisory role did not require a media fanfare.

New Law To Restore Confidence in Privatization

*BK2406024193 Bangkok THE NATION in English
24 Jun 93 pp B1, B3*

[By Nophakhun Limsamanphun and Phatchari Luan-gutai]

[Excerpt] Deputy prime minister Amnuai Wirawan yesterday boosted the spirits of Thailand's privatization policy, battered recently by disputes over the second-stage expressway, saying that the new concessions law should help restore investor confidence in future projects.

The new law was enacted by former premier Anan Panyarachun's administration.

In his speech at a roundtable discussion organized by THE NATION, Amnuai, an architect of the privatization policy, re-emphasized that the government alone could not shoulder the enormous responsibilities associated with the country's demand for infrastructure, be it in transport, electricity or other public utilities.

"Expenditure on transport is forecast to treble, increasing from Bt[baht]190 billion baht in the Sixth (national development) Plan to over Bt600 billion in the Seventh Plan (1992-97)," he told the gathering of private investors and other professionals concerned with infrastructure development.

Referring to the expressway and other disputes with privatized schemes, Amnuai said: "A clear lesson from recent events is the need to specify at the outset, clearly and unambiguously, the basis upon which the private sector is invited to become involved.

"The new concessions law will, hopefully, do much to restore the confidence of the private sector in the operation and administration of such contracts..."

The concessions law enacted by the Anan II government requires all state units to seek approval from the National Economic and Social Development Board (NESDB) on concessions or government/private sector joint venture projects worth Bt1 billion or more.

If a project is worth more than Bt5 billion, the proposing agency has to commission independent consultants to perform feasibility studies.

In addition, the projects must be endorsed by a committee of other concerned agencies. Hopewell and the three-million telephone line schemes were cited as the consequences of lax regulation—making it necessary to have the concessions law. [passage omitted]

Deputy Premier Discusses Privatization, Infrastructure

*BK2406031793 Bangkok THE NATION in English
24 Jun 93 p B3*

[Speech by Dr. Amnuai Wirawan, deputy prime minister, at an international seminar on development in Bangkok on 23 June—all quotation marks as published]

[Text] "It is indeed a pleasure for me to address a key group of participants on the topic of 'Infrastructural Development for Privatization'. I hope this address can help you envisage the basic direction of government policy for dealing with infrastructural development in the future.

Let me first make a statement on the Thai economy since the beginning of the Sixth Plan in 1987. During the last five years, Thailand has experienced a dramatic growth in its economy, sustaining double-digit expansion of GDP where its share from Bangkok is nearly 40 per cent of the national total.

Although this growth has now levelled off to less than eight per cent annually, this remains a formidable achievement for the country—and gives rise to a substantial shortage of infrastructural facilities necessitating major renewals and expansions, especially in the Bangkok Metropolitan Region.

During this period of growth, per capita income of the urban population has also shown a consistent and encouraging rise—averaging in excess of 10 per cent a year. As incomes rise, so do expectations: the increasingly affluent demand and expect a higher quality of life, more space, more consumption and more services, all of which leads to excess demand for infrastructure facilities in Bangkok and other urban areas.

Over the past 25 years, the population of the Bangkok Metropolitan Region has also increased from three million in 1965 to 6.5 million in 1980 and about eight million today. It is expected to grow to almost 10 million by the end of the decade and 11 million by 2010.

One of the results of this growth—in both population and incomes—has been the astronomic growth in traffic levels. Over 500 new motor vehicles come onto the roads of Bangkok daily in 1992 the number of new vehicles was 35 per cent higher than the previous year. Between 1980 and 1990, traffic levels increased by 10 per cent a year and up to 16 per cent per year recently—a doubling in traffic volume every six years. The evidence of these growth levels can be seen everywhere.

The shortages of telephone services, electricity, water supply and housing are obvious and led to critical bottlenecks for future development. At the beginning of the Seventh Plan (1992), the waiting list for telephones rose to a million despite the increase in available telephone numbers—from 800,000 at the end of the Fifth Plan Period to 1.8 million.

The proportion of telephone numbers per head of population was three per 100 people: that compares with an average of nine per 100 in other Asean countries. Water supply is still inadequate. In Bangkok, the production capacity of water supply is deficient by about 400,000 cubic metres per day (demand is 3.6 million cubic metres per day while supply is only 3.2 million cubic metres per day).

There are still at least 10,000 housing units in slum areas scattered around Bangkok where conditions need to be improved and upgraded, while during the Sixth Plan period, only 30,000 housing units in slum communities were upgraded.

What is required now is an examination of the underlying demands, trends and prospects for the future growth and development and the production of a two-pronged approach: (I) set in progress a major ameliorative programme of infrastructure upgrading to 'catch up' with present demand; and (II) formulate an overall structure and framework to guide and influence future development patterns and growth directions.

The Thai government is presently pursuing both of these paths. Under the Seventh Economic and Social Development Plan a major programme of infrastructure upgrading and renewal is underway—including highways, mass rapid transit, water supply, sewage treatment, etc—and a regional structure plan for the broader

region (up to a distance of 150 km) is being prepared to guide and steer development over the next two decades.

The emphasis of the regional plan will be (I) to disperse demand and growth throughout the region—eg the Eastern Seaboard and Upper Central Regions—and thus reduce the levels of concentration and congestion in the traditional centre of Bangkok; and (II) to refocus development on a network of urban centres throughout the region that may offer benefits of scale and proximity to Bangkok, while providing an improved quality of life.

Infrastructure investment over the last decade has also expanded at a massive rate in an effort to keep pace with the levels of economic growth achieved: total expenditure proposed during the Seventh Plan period is an impressive two and a half times greater than the Sixth Plan.

Expenditure on transport is forecast to triple, increasing from Bt[baht]190 billion in the Sixth Plan to over Bt600 billion in the Seventh; similarly investment in telephones will increase from Bt64 billion to Bt170 billion.

Electricity investment will be amount of Bt360 billion and public utility investment will be Bt135 billion during the Seventh Plan period. It is expected that expansion of telephone services will satisfy all those waiting for services by the end of the period as the proportion of phone numbers increases to no less than 10 per 100 population.

Water supply in Bangkok Metropolis will increase its production capacity from 3.2 to 4.5 million cubic metres per day, and from 1.3 to 2.9 million cubic metres per day in the regions. The government will provide 112,000 housing units in line with the expansion of Bangkok Metropolis, regional cities, and new economic zone development, with an emphasis on housing low-income and workers in industrial zones. [sentence as published]

The plan is set to increase electricity generating capacity by another 5,400 megawatts and keep the reserve capacity of the electricity system at no less than 15 per cent of maximum electricity demand per year.

These are substantial programmes—requiring the mobilization of massive amounts of finance from a range of available sources. It is not possible or realistic to rely solely on the government budget to fund these programmes, nor to expect finance from multilateral or bilateral agencies. It is essential to increase the private sector participation for investment in order to ensure that sufficient resources can be brought to bear on the projects in hand.

The issue then becomes one of identifying the most appropriate and effective means and mechanisms for involving the private sector. We may have limited experience in Thailand, but no other countries have ready models which may be applied with certainty. We believe that we have initiated a number of such privately funded projects in Thailand, and that we have attempted to

create an attractive and stable environment in which investors can operate with confidence.

The aim is not only to introduce new sources of finance, but also to reduce the dependence on monopolistic governmental agencies for the provision and delivery of services. This will bring additional benefits in the form of greater efficiency and can improve business management techniques. A dynamic infrastructural sector will also serve as a catalyst for the stimulation of other development activities, specifically the urbanisation process and pattern of human settlements.

There are many ways in which the private sector may be invited, or encouraged, to participate. Many of these have been tried in Thailand, with varying degrees of success. These can include: joint ventures; contracting out service provision; granting of concessions, build-operate-transfer (BOT) schemes—plus numerous other configuration and options.

A clear lesson from recent events is the need to specify, at the outset, clearly and unambiguously, the basis upon which the private sector is invited to become involved. The proposed new Concessions Law will, hopefully, do much to restore the confidence of the private sector in the operation and administration of such contracts, which could result in the ultimate benefit of all parties that a clear understanding is achieved—so that progress may be made with assurance.

Looking at the Bangkok region, there is an impressive programme of infrastructure investment scheduled—and a very substantial level of involvement by the private sector.

In the transport sector alone, there is the Second Stage Expressway the Don Muang Tollway, the Hopewell elevated rail and road project, and the BTSC (Tanayong) elevated rail project—all of which are predominantly privately funded.

Additionally, it is proposed that the government MRTA mass transit project will be promoted largely with private involvement both in finance and management. These projects alone represent an investment of over Bt200 billion (US\$8 billion) over the next five years. Other projects which may be initiated by the BMT include a subway system and the road transport network along the Chao Phraya River banks.

In other sectors, as already stated, major water supply and waste-water treatment projects are proposed totaling, for Bangkok alone, over Bt22 billion. New sources of water are being developed to ensure that demand within the urban areas will be met—a demand that has been increasing as a result both economic activity and rapidly rising living standards. Major programmes of waste-water treatment and environmental upgrading are also being undertaken in an attempt to reduce the deteriorating conditions of many of the cities waterways.

A massive expansion of the telephone network is also in progress, both in Bangkok and nationwide and fully funded by the private sector.

Without the active and creative participation of the private sector, it is difficult, if not impossible, to imagine that a programme of this scale with a combined total of capital investment in excess of Bt1.2 trillion could be embarked upon.

Thailand wants and welcomes international investors to participate in the massive current programme of infrastructure development. We seek to provide an attractive investment environment, with the security, stability and certainty that is sought by international investors. We recognize that alone we would be unable to mobilise sufficient capital to maintain the momentum that is required to meet the demands of the growing economy.

The proposed second Bangkok International Airport at Nong Ngu Hao is a classic example of a major project which will hopefully attract significant private sector interest, not only in the airport itself, but also in the massive programme of associated infrastructure and development projects.

The airport itself is estimated to cost in excess of Bt100 billion (including inflation up to the time of opening) and a similar amount may be expected for strategic infrastructure investment programmes which directly result from the airport construction: ie new road and rail links, water supplies, waste- water treatment and flood control.

There is further investment proposed in new highways (eg the Bangkok outer ring road, the Bangkok-Chonburi Highway, the national four-lane highway programme, railways—high-speed rail, double-tracking project—, and port development at Laem Chabang and Map Ta Phut.

In conclusion, privatization has become a new economic instrument for future infrastructural development in Thailand. It has also become a new mechanism in restructuring management strategies in order to increase the efficiency and competitive positions of the public sector, as well as strengthening the private sector leadership in the process of national development.

Undoubtedly, there have been problems—and there will continue to be problems—but these are not valid reasons to abandon the philosophy and the approach. It is to be expected with any programme of this scale and complexity that difficulties will emerge. The challenge is to learn from them and improve the system and the mechanisms in order to avoid such obstacles in the future."

Vietnam

More Reportage on National Assembly Activities

Vu Mao Gives Report, Part Three

BK2406042793 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 18 Jun 93

[Part three of recapitulative report on nationwide voter views presented to National Assembly third session by Vu Mao, on behalf of the National Assembly Standing Committee, at the opening session of the Ninth National Assembly on 16 June—read by announcer. For parts one and two see the Vietnam section of the 23 June East Asia DAILY REPORT.]

[Text] I. Voters' Views on Economy:

The voters generally considered that our economy has been continuing to change for the better and in the right direction during the first six months of the year. The voters, however, also expressed concern, discontentment, and a wish for the state to implement timely policies and measures to resolve difficulties and to accelerate the development of production and business.

In agriculture, many localities have continued to enjoy good harvests, but peasants are still discouraged because the prices of agricultural products are too low in comparison with prices of industrial products. The fact that the peasant has to sell nearly ten kilograms of rice to be able to buy a pack of cigarettes is extremely illogical and it makes him not know whether he should laugh or cry. The prices of fertilizer, pesticides, petrol, oil, electricity, and the water conservancy fee are all high, which causes agricultural producers to suffer greater losses when they expand their production. The net income of peasants is very low after the deduction of all obligatory contributions. The voters urged the state to pay appropriate attention to agricultural production and to have subsidized price and agricultural products collection policies, which would create more favorable conditions for export of agricultural products. The quality of grain is very important for food grain exports. Investment in technological research should be enhanced fundamentally to satisfy this requirement. The state also needs to consider an insurance policy for agricultural production. It must pay appropriate attention to investment in infrastructural construction, such as roads and bridges, water conservancy projects, electricity, and so on, for the countryside.

For the industry sector, the voters held that some industrial establishments at the central level have reached a new turn in their development, while local industry sectors still face vast difficulties. The reorganization of the state-managed businesses in accordance with Decree No. 388 issued by the former Council of Ministers has not yet attached importance to solving the problem of redundant labor. This is contributing to the development of many complicated social problems, which include unemployment, corruption, and authoritativeness.

Voters also contended that the state should bring about measures to control the bad practice of selling assets of state-managed enterprises by people who try to amass unlawful wealth.

Some domestic products presently face fierce competition by imported goods, especially essential consumable items like fabric, ready-made clothing, home appliances, and so forth. In many cases, the competition is unfair and unmatched because a large quantity of foreign goods available in the market are illegally imported and tax free. Some countries even subsidize the products exported to us. Meanwhile, our domestic goods are unable to compete with foreign ones due to low technological standards, coupled with many different kinds of taxes. The consequences of this situation is a deterioration of production for many establishments and workers are thrown out of their jobs. The voters contended that the state should have synchronized measures to protect domestic production and assist the establishments in producing high quality goods, which meet the demands and the desires of consumers countrywide.

In relation to infrastructural construction, the voters in various localities were concerned that investments for major projects were still not concentrated. Some projects with large capital investment did not yield high efficiency. The state needs to make public the amount of capital for infrastructural construction assigned to each locality, so as to avoid the rush of competition in applying for capital, which is currently the cause of many negative practices. Many voters complained about the bad practices, which currently exist in the infrastructural construction sector, and considered that the management task in this area in various sectors and levels still bears many gaps that cause great waste and loss. State money is still lost, just like water running through one's fingers, after each construction contract. Many people even like to imitate the rhythm of a song saying 'B side [contractor] is a bunch of sweet carambola' to reflect this reality.

In the past years, despite repeated outcries from the public, corruption in capital construction has shown no signs of regression, but a tendency to increase. Voters suggested that the state quickly improve the mechanism of management in capital construction to promptly check this practice. Many voters expressed concern over construction of the 500-kv north-south power grid and suggested that the government regularly furnish information about the expenses arising from this project as well as the pace of its construction.

Regarding financial and monetary affairs and prices, voters held that the stabilization of prices is an important factor in accelerating economic development and stabilizing the people's livelihood. In the recent past, the state has done many encouraging things in this domain. However, the recent increase in price of a number of essential commodities—such as gasoline, diesel oil, and construction materials—has adversely affected the stability of the pricing system and bolstered the prices of

gold and foreign currencies, thus incurring the risk of giving rise to a new round of inflation. Voters suggested that the state make an extremely careful calculation before reaching a decision to increase the price of goods under its management.

Many voters welcome and support the policy of extending loans to peasants for use as capital to expand production. What they are concerned about is that while loan interest rates remain high, loan procedures are still inconvenient and loan deadlines are still not consistent with returns on capital invested in agricultural production.

It is true that in many localities the interest rate of bank loans fixed by the state is usually low. However, peasants have to agree to a higher rate in order to obtain bank loans. Under-the-counter expenses required during the transaction of procedures for obtaining bank loans are usually the cause of such a situation. Apart from this, funds allocated to agricultural production under the state plan usually fail to meet practical needs. Therefore, many peasants have been compelled to obtain loans from the source of capital amassed by banks at agreed-upon interest rates. Voters in Cao Bang, An Giang, and Kien Giang disclosed that peasants in these provinces have been compelled to obtain loans from this source of capital at interest rates of 3.3 to 4.5 percent per month.

Voters in many localities, especially mountainous and agricultural production areas, suggested that a study be made by the state to develop suitable mechanisms and methods for needy peasants and the people of various minority groups to obtain loans in a favorable way for investment in the development of agricultural production.

Regarding international cooperation and foreign investment, the expansion of international cooperation and accumulation of investment capital from foreign countries constitute a correct policy that has won the sympathy and support of voters. However, various systems concerning the interests of Vietnamese laborers in joint venture establishments with foreign investment have not yet been clearly determined and ensured by law. In reality, there have been cases in which Vietnamese laborers have been beaten up or insulted by foreigners. Voters suggested the state quickly promulgate legal documents concerning these problems and establish a system of inspecting and supervising these establishments.

Meanwhile, when examining and approving various investment projects, the state organs concerned should attach importance to matters relating to the interests of Vietnamese laborers.

Regarding small industrial and handicraft production, since the enforcement of the policy dissolving the federation of cooperatives, all small industrial and handicraft cooperatives have encountered numerous difficulties in determining the orientations for their production and

other activities. More and more traditional small industrial and handicraft branches and trades have sunk into oblivion and a number of handicraftsmen in various municipalities and cities are facing many difficulties in their daily life. Voters expressed the hope that the state will enforce appropriate policies on investment, production contracts, and the sale of products toward this economic component, especially the production of traditional handicraft items.

II. In the Areas of Culture and Education:

The open-door policy and the development of the economy under a market-oriented mechanism have brought about many encouraging results and have also given rise to a number of new problems. Looking back at the worthwhile achievements in our cultural and educational activities over the past decades, many voters expressed concern over the degradation of schools and classrooms.

Many children have been compelled to quit school and there is a tendency to commercialize various cultural and artistic activities. Harmful and decadent cultural materials, which have been circulated stealthily but on a relatively large scale, are eroding the traditional ethical values of our people and inflicting great harm on the younger generation, especially teenagers and newly grown-up youths. Meanwhile, the level of acquiring culture by the people, especially those in the highland and remote areas, is still very low.

The voters suggested that while striving to transmit radio and television programs to localities throughout the country, the state should invest more money to restore and increase the number of mobile information and film service units with modern equipment to serve the local people and combatants especially in the rugged, border, and remote areas. The voters also paid special attention to the management of publishing and cultural and artistic activities. They contend that the state should quickly control these activities to prevent publishing houses and artistic troupes from self-seeking interests while belittling their role in promoting education and leading public opinion.

Education and training have positively developed during the past years. The voters warmly welcomed the diversified forms of education, classrooms, and training activities. They also contended that the policy on separating local general schools into level I and level II schools is correct. The problems that cause most concern to voters at present are the abandonment of classes by students in many localities, the low standard of education and ethics, poor material bases for teaching and learning, and the shortage of teachers—especially in the fields of computer science and foreign languages. Moreover, the state has no clearcut policy on using and encouraging talented people, thus failing to motivate the younger generation to love and devote their time and energy toward education. A number of voters suggested that the state should review the anti-illiteracy campaign policy.

This is because the budget allotted for this task is high while the results are low. The voters wished that the state would pay more attention to the daily life and working conditions of teachers, especially those assigned to the mountain regions. They contend that to universalize elementary education, the state should subsidize costs on textbooks and teaching aids for schools in populated areas with low incomes.

Many voters called on the education and training sector to attach importance to the task of enrolling and recruiting students to universities and vocational schools so as to avoid the conditions of granting admission and awarding degrees to university students in an easy fashion.

Deputies Discuss Oil, Gas Bill

BK2106132793 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 21 Jun 93

[Text] Dear friends, this afternoon, the Third Session of the Ninth National Assembly held a plenary session in the Conference Hall under the direction of National Assembly Vice Chairman Dang Quan Thuy.

On Vietnam's Journalist Day, 21 June, National Assembly Chairman Nong Duc Manh delivered an address to welcome the day:

[Begin Nong Duc Manh Recording] Dear National Assembly Deputies and Journalists,

Today, on the Vietnam's Journalist Day, 21 June, on behalf of the National Assembly, I would like to send my warm regards and best wishes to all journalists in the entire country. [applause]

Dear Comrades, through all the revolutionary stages, under the leadership of the glorious Communist Party of Vietnam, generations of Vietnamese journalists have made important contributions by propagandizing and disseminating the party's line and policy and the state law and reflecting the people's feelings and aspirations. Many journalists, not affected by difficulties and sacrifices, have been determinedly fighting and actively contributing to the former undertaking of national liberation and unification and the current cause of construction and protection of the Vietnamese socialist fatherland.

The Vietnamese journalists indeed are brave soldiers in the cultural and ideological front with the noble duty of nurturing in the people the will to determinedly protect the national independence and socialist road; upgrading people's knowledge, morality, and the clear spirit of the Vietnamese people; uniting the nationalities and world community; and creating a healthy social concept to maintain the political and socioeconomic stability. On behalf of the National Assembly, I heartily recommend the achievements that the Vietnamese journalists have scored in the past. [applause]

In the current revolutionary stage, though the country is encountering new opportunities and chances, there are no fewer difficulties and challenges. The successful implementation of the Seventh National Party Congress resolution aiming at making the population prosperous, nation strong, and society civilized requires the joint effort of the entire party, people, and soldiers, including the contingent of our journalists.

I believe that the Vietnamese journalists will fully realize their glorious duty to further expand their achievements and continuously improve their training to upgrade their level of politics and profession, actively contributing to the construction and protection of the Vietnamese socialist fatherland.

On this occasion, I sincerely thank the journalists covering the Ninth National Assembly Third Session for their practical contribution in disseminating information on the session.

I wish you health, happiness, and thank you all. [end recording]

After the National Assembly Chairman Nong Duc Manh's speech to welcome the Vietnam's Journalists Day, the National Assembly deputies held a discussion on the draft bill on oil and gas. Minister Le Xuan Trinh, director of the Government Office, on behalf of the government, read a report compiling National Assembly deputy opinions collected in group debates on the draft bill on oil and gas.

Then the deputies discussed the draft bill. There were 24 opinions contributed on the name of the draft bill on oil and gas and on the income tax, national resource tax, and management of the oil and gas organizations.

Lastly, National Assembly Vice Chairman Dang Quan Thuy reviewed all the opinions and suggested that the National Assembly empowered the government to solicit more opinions, study, adjust, and supplement the draft bill on oil and gas before passing in the next plenary sitting.

In the morning, the National Assembly deputies held a group discussion on the government report on the socio-economic situation in the first six months.

Morning Proceedings Held 22 Jun

BK2206052793 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 22 Jun 93

[Text] This morning, the Third Session of the National Assembly held a plenary meeting in the Conference Hall under the direction of National Assembly Vice Chairman Dang Quan Thuy.

The deputies discussed the draft law on publication. They agreed on two issues. They are the necessity to promulgate a law on publication in order to restore order and discipline in this area and a ban on the establishment of private publishing houses. The deputies took

turns contributing opinions and making suggestions on many articles of the draft law. They particularly emphasized the necessity of introducing legal documents under the law for better implementation after the Law on Publication is passed.

There were 21 deputies who delivered speeches in the morning session. The National Assembly will continue its work at the Conference Hall this afternoon.

Assembly Issues Communiqué No. 3

BK2206153693 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 22 Jun 93

[“Ninth National Assembly’s Third Session Communiqué No. 3”]

[Text] On 22 June the National Assembly held a plenary meeting at the Conference Hall under the direction of National Assembly Vice Chairman Dang Quan Thuy.

National Assembly Chairman Nong Duc Manh opened the meeting with a speech encouraging Vietnamese athletes who just returned from participating in the recent 17th Southeast Asian Games.

Next, the National Assembly discussed the draft law on publication. As many as 40 deputies expressed their views. These included Superior Bonze Kim Cuong Tu from Hanoi municipality; Le Khac Binh, Vu Tuat Viet, Nguyen Tan Phat, Catholic Priest Phan Khac Tu, Tran Du Lich, and Le Minh Chau from Ho Chi Minh City; Chu Van Muoi from Haiphong; Tran Minh Duan from Khanh Hoa; Luu Trung Thanh and Duong Vien from Nghe An; Ca Kha Sam from Son La; Ca Le Thuan from Ben Tre; Ha Thi Thu Xuong from Quang Nam-Danang; Vu To Nam from Nam Ha; Tran Thi Le Thu from Binh Dinh; Duong Tan De from Vinh Long; Nguyen Thi Thu from Ha Tinh; Phan Quang from Thai Binh; Superior Bonze Thich Thien Sieu from Thua Thien-Hue; Mua Thi My from Lai Chau; Tran Van Phat from Hai Hung; Nguyen Duy Anh from Lam Dong; Nguyen Truc Luyen from Cao Bang; Tran Anh Kiet from Quang Ngai; Nguyen Thi Tuyet from Ha Tay; Nguyen Ngoc Tran from An Giang; Dang Nhat Minh from Thanh Hoa; Superior Bonze Duong Nhon from Soc Trang; Mai Thuc Lan from Ha Bac; Nguyen Van Tu from Dong Nai; Co Hoa Van from Lao Cai; Nguyen Duc Hoan from Quang Tri; Dang Thi Thanh Huong from Quang Ninh; Ngo Hong Khanh from Can Tho; Yngonmh Nie Kdam from Dac Lac; Nguyen Van Sy from Gia Lai; Nguyen Thi Hoai Thu from Tien Giang; Pham Tho Son from Ba Ria-Vung Tau; and Dinh Van The from Vinh Phu.

Expressing their views, all deputies found it necessary to promulgate the law on publication and basically agreed with all stipulations of this draft law. Many of them stressed the areas of the draft law that need amendments on all three jobs—publishing, printing, and distribution—on the nature and purposes of publishing activities and work-related state management over these activities,

and on the need to have specific stipulations for publishing activities in regions inhabited by the people of ethnic minority groups and mountainous regions, as well as other specific stipulations.

23 Jun Morning Proceedings Reported

BK2306084493 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 23 Jun 93

[Text] This morning, 23 June, the Ninth National Assembly’s third session held a plenary meeting at the Conference Hall in Hanoi to discuss various draft bills on amendments to the income tax law, the law on special consumption, the law on profits, and the law on export-import.

National Assembly Vice Chairman Nguyen Ha Phan directed the meeting. Most of the deputies contended that during the past two years, progress has been made in implementing various laws adopted by the Eighth National Assembly. State revenue collection has increased remarkably, thereby meeting requirements for essential expenditures. The per capita income and gross national production output have increased, thereby helping to slow down the rate of inflation and stabilize market prices, accelerate production and business, and strengthen state macro-economic management for the national economy.

Many deputies raised some shortcomings and weaknesses of various laws and suggested amendments to some specific stipulations.

Deputy Nguyen Trong Khanh from Vinh Phu Province stressed that after the National Assembly adopted the tax law, the government had to spend a long period of time approving the tax tariffs, thus causing a setback to enforcing the law.

Deputy Nguyen Phu Cuong from Lang Son Province suggested that the tax law on main export-import branches and that of the sub-branches be merged into one law.

Deputy Nguyen Ngoc Hai from Haiphong suggested that the tax rate imposed on fruit be reduced to encourage production at home.

Deputies Tran Thi Bach Tuyet from Dong Nai and Chu The Quynh from Hanoi suggested that tax reduction or exemption be granted to teaching aid materials, artistic troupes, the cinematographic sector, and so forth.

During the morning meeting, 18 deputies presented their viewpoints.

This afternoon, National Assembly deputies will continue their discussion on the draft bills on amendments to the income tax law, the law on special consumption, the law on profits, and the law on export-import.

Deputies Expressing Views Listed

BK2306155493 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 23 Jun 93

[Text] On 23 June, the National Assembly held a plenary session at the Conference Hall to discuss various draft bills on the amendments to the tax law—business tax, special consumption tax, income tax, and import-export taxes.

National Assembly Deputy Chairman Nguyen Ha Phan directed the meeting. Thirty-three deputies expressed their views, including Tran Thi Bach Tuyet of Dong Nai, Nguyen Trong Khanh of Vinh Phu, Nguyen Ngoc Hai of Haiphong, Vo Nguyen Quang of Thua Thien-Hue, Truong Tan Sang and Nguyen Minh Thanh of Ho Chi Minh City, Chu The Quynh of Hanoi, Nguyen Phu Cuong of Lang Son, Pham Ngoc Quang of Thanh Hoa, Nguyen Viet Hong of Minh Hai, Dang Quoc Tien of Bac Thai, Nguyen Thanh Cao of Kontum, Lam Hong Thai of Cao Bang, Phan Minh Thanh of Tien Giang, Tran Duc Tan of Ha Bac, Nguyen Van Thuan of Binh Thuan, Nguyen Ba of Nghe An, Truong Thi Khue of Quang Tri, Bui Quang Ton of Ben Tre, Nguyen Duc Lien of Hai Hung, Nguyen Thanh Nguyen of Long An, Nguyen Thu Ha of Thai Binh, Lam Phuc Co of Yen Bai, Bui Van Canh of Kien Giang, Nguyen Thi No of Kien Hoa, Hoang Duc Hy of Tuyen Quang, Do Quoc Hung of Ba Ria Vung Tau, Hoang Minh Thang of Quang Nam-Danang, Nguyen Manh Hung of Nam Ha, Tran Hoa of Quang Binh, Nguyen Van Minh of Song Be, Trang A Pao of Lao Cai, and Le Gia of Son La.

The deputies, while expressing their views, were of the opinion that the tax laws need to be amended for the purpose of gradual perfection of our state's taxation policy. Many deputies offered concrete suggestions to raise or cut tax rates for some commodities or to give a tax exemption or rebate for certain cases to make the tax laws correspond to reality, and in the meantime contribute to business development and ensure income sources for the national budget. The deputies also raised the requirement to pay appropriate attention to measures to continuously improve the taxation system and the tax collection task, and at the same time to build harmonious coordination between the tax and other policies.

On 24 June, the National Assembly will continue the plenary session to discuss the draft bills of the law on authority and the process of promulgating legal stipulations.

Morning Session Held 24 Jun

BK2406072893 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 24 Jun 93

[Text] Today is the eighth day of the National Assembly. The deputies worked in the conference hall under the direction of National Assembly Vice Chairman Phung Van Tuu.

At the opening of this morning's session, Justice Minister Nguyen Dinh Loc, on behalf of the government, took into account the views contributed by the deputies at their group discussions on the draft law on power and order in the promulgation of legal documents. Commenting on the deputies' views on the name of this draft law, Minister Nguyen Dinh Loc suggested that this draft document be renamed the law on promulgation of legal documents.

Next, the deputies expressed their views on this draft law, focusing on three major issues as follows:

First, how should legal documents be defined and which authority has the power to promulgate them?

Second, which level of administrative organs, people's councils, or people's committees has the power to promulgate legal documents?

Third, how should mass societies promulgate legal documents?

Many deputies concurred with the views expressed by Le Duc Binh, deputy from Ninh Binh Province. According to Deputy Binh, the draft law covers too many issues and henceforth requires the decisions of the National Assembly and village people's committee chairpersons before it can be promulgated. Therefore, the promulgation procedures should be shortened.

The National Assembly will continue to work in the conference hall this afternoon.

Vo Van Kiet Receives GATT Chief Dunkel

BK2206134393 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 20 Jun 93

[Text] Mr. Arthur Dunkel, director general of the General Agreement on Tariffs and Trade or GATT, and Mr. [name indistinct], head of the External Relations Department under the Secretariat of the GATT Director General, have been paying a working visit to Vietnam since 18 June [date as heard] at the invitation of our country's minister of trade.

The GATT leader held working sessions with leading officials of the Ministries of Trade, Foreign Affairs, and Finance, as well as of the Customs General Department to discuss Vietnam's economic reform program, the prospects of cooperation between Vietnam and GATT, and Vietnam's participation in this organization.

At those working sessions, the Vietnamese side ascertained GATT's positive role in regulating world trade relations and pointed out Vietnam's constant efforts to broaden external relations with other countries to integrate itself into the world economy. Therefore, it is Vietnam's desire to join GATT on an observer status and when conditions are ripe, to become an official member of this organization.

On the afternoon of 16 June [date as heard], the GATT leader and head of the External Relations Department paid a courtesy call to Prime Minister Vo Van Kiet. The prime minister welcomed the GATT leader's first visit to Vietnam to strengthen the mutual understanding between Vietnam and GATT, thus creating conditions for bilateral cooperation in the days ahead. He pointed out: Prompted by its policy to broaden economic and trade ties with other countries, Vietnam is taking advantage of all opportunities to join different international and regional economic organizations, including GATT.

The prime minister took into account GATT's positive role in the world economic life and expressed the hope that Vietnam will become an official GATT member in a not-too-distant future.

The GATT leader briefed the prime minister on the birth and activities of GATT, which has assumed an increasingly global role in the area of trade. He warmly welcomed Vietnam's desire to join GATT and took into account Vietnam's efforts to implement an open-door economic policy, stressing that a very bright picture of Vietnam's economy is in the making. This testifies to the fact that Vietnam has taken positive steps to approach international organizations, including GATT.

The GATT leader pledged to use his position to promote activities to help Vietnam gain observer status with GATT at an early date. He expressed the belief that many governments would support Vietnam's participation in this organization.

Delegation Attends NGO Conference in U.S.

BK2306071393 Hanoi VNA in English 0706 GMT 23 Jun 93

[Text] Hanoi VNA June 23—A 20-member Vietnamese delegation has attended the fourth national conference of US non-governmental organization [NGO] held in Arlington, Virginia, from June 17-20 aimed at promoting humanitarian aid to and education and private investment in Vietnam, Laos and Cambodia.

The delegation was led by Nguyen Van Thanh, vice-president of the Union of Peace, Solidarity and Friendship Associations and included representatives of the Vietnam-USA Association, the Ministries of Labour, War Invalids and Social Affairs, Education and Public Health and of the Women's Union and relief organisations.

The participants discussed measures to increase cooperation among the American NGO's aimed at raising the effectiveness of their aid to the Indochinese countries, particularly in the fields of humanitarian services, education, health, development programme and investment.

Many delegates put their signatures to a letter written by two US senators to President Bill Clinton, asking the US Administration to stop preventing international financial organizations from granting loans to Vietnam,

to lift the trade embargo against Vietnam and to take appropriate measures to normalize relations with Vietnam.

ations, Cooperation

BK2406065193 Hanoi VNA in English 0615 GMT 24 Jun 93

[Text] Hanoi VNA June 24—British Ambassador to Vietnam Peter Williams held a press conference here yesterday on the occasion of Prime Minister [P.M.] Vo Van Kiet's coming visit to Britain. The ambassador stressed that the P.M. Vo Van Kiet's visit is a historical event because it is the first official visit of a Vietnamese prime minister to the United Kingdom. This visit will be an important landmark in the relations between the two countries, and a good omen for the bilateral relations in the future.

Ambassador Williams said that Britain now ranks first in investment in Vietnam (if British companies in Hong Kong and other countries are included) and is the biggest partner of Vietnam in oil and gas industry. Vietnam's exports to Britain will increase 300 percent in 1993, he noted.

He further said that Vietnam and Britain are cooperating effectively to solve the refugee issue.

The ambassador said that in the coming years the British Government will increase its technical aid and personnel training assistance to Vietnam. It will devote 3 million U.S dollars to the training of macro-economic and business managers for Vietnam.

Human Rights Issue Used To 'Smear' Government

BK2006085193 Hanoi Voice of Vietnam in English 1000 GMT 18 Jun 93

[From the "Talk of the Week" feature]

[Text] Human rights again have become a focal point of public discussion in many countries, especially in the United States and Western Europe. It is easy to understand. Human rights have been and will continue to be a fundamental long-term and sensitive issue which easily wins the community's attention and support as a universal value to human civilization.

Human rights can be explained in different ways by each nation and each political thought. Some even consider it a political card to implement their hostile themes against opposition governments and peoples. It is why Indonesian Foreign Minister Ali Alatas told newsmen on 10 June that his country rejected the linking of human rights with development aid. He said: We think that it will go too far if we consider human rights the prerequisite of development aid.

Vietnam is one country that has been the center of world attention about human rights issues. A great number of

politicians, sociologists, writers, and newsmen from different countries have come to Vietnam. They have examined the Vietnamese party and state's efforts in leading the people in the struggle for the most sacred right of every person, namely, the right to live in independence, freedom, peace, and happiness. The Vietnamese party and state have tried their utmost to realize citizens' rights for tens of millions of people, including the right to vote, and to stand for elections, and the right to be involved in important political activities of the country. In addition, there are rights to freedom of speech, the right to employment, and freedom of belief.

However, in a country with an underdeveloped economy, serious war aftermath, and acute socioeconomic problems, it can be understandable when sometimes, in some places, human rights are not implemented thoroughly. However, there are a few outside forces taking advantage of the human rights issue to smear the Vietnamese Government. More than that, these forces nurture sabotage and subversive games. Any courts of any country can sentence to imprisonment a hijacker or a saboteur who lays explosives to destroy cultural and economic projects, or who stealthily cuts telephone lines causing interruption to communication. But when seeing a Vietnamese court doing that, these same forces make a ballyhoo that Vietnam has violated human rights.

Dozens of overseas radios, in their Vietnamese language programs, have been trying to slander the policies of the Vietnamese party and state, painting a horrible picture of human rights. Some newspapers, owned by hostile and reactionary Vietnamese refugees, have set up human rights and struggle for human rights columns. This

makes people think of Mr. Brezinski, the former Security Adviser to the U.S. President, who said: The role played by human rights is particularly great in speeding up the collapse of socialism.

However, they should remember that only the Vietnamese people, who sacrificed their lives to respect the right to live in an independent country, and who now spare no efforts to build a strong and happy country, are entitled to speak about human rights in Vietnam.

Nguyen Thi Binh Receives Departing Envoys

*BK1806151593 Hanoi VNA in English 1506 GMT
18 Jun 93*

[Text] Hanoi VNA June 18—Vice President Nguyen Thi Binh today receives German ambassador and Yemeni charge d'affaires on separate occasions before they concluded their terms of office in Vietnam.

Vice President Nguyen Thi Binh and German Ambassador Jurgen Elias noted with satisfaction that the relations of friendship and multiform cooperation between Vietnam and Germany have developed over the past period.

In her meeting with the Yemeni diplomat, she reiterated the desire of the Vietnamese state and people to enhance the cooperation between Vietnam and Yemen in the interests of the two peoples.

The Yemeni Charge d'Affaires A.I. 'Awad Karama Rashid stressed that his government and people treasure the cooperation and friendship between the two countries.

Pacific Population Growth Poses 'Serious' Problems*BK2406032093 Hong Kong AFP in English 0310 GMT 24 Jun 93*

[Text] Papeete, June 23 (AFP)—Explosive population growth in some Pacific islands has environmental and economic consequences for the region, a report to the Fourth Pacific Leaders Conference here said. The report for the Hawaiian based East-West Center's Pacific Islands Development Program, written by Margaret Chung, urges policial leaders in the region to make population control a priority. The report described the problems associated with the rapid population increases as "serious and immediate" and said that some areas are moving towards a "threshold of irredeemable degradation."

Atoll nations such as the Marshall islands, Kiribati, Tuvalu and Micronesia were particularly affected and had acute problems, it said.

"In the more crowded atoll countries, population growth, lifestyle-related health problems and environmental degradation contribute to a looming health care crisis," the report said. It said the increasing numbers of people and the concentration of economic activity "has serious environmental and econonomic consequences on small islands."

Chung notes in her report that there has always been change in the Pacific, but nothing comparable "to the tremendous transfiguration experienced within three, two, even one generation, which has irrevocably altered island economies, island environments and island ways of life."

Most urban water supplies in the Pacific are poorly maintained and unsafe and sewage is fed directly into coastal urban waters. The quality of the environment was in sharp decline, Chung warned.

"Changes in settlement patterns and land use increase peoples' vulnerability to natural disasters," Chung said. "Hurricanes wipe out lifetime investments; removal of mangroves and the decay of reefs increase coastal erosion and storm damage.

"Islanders also are vulnerable to environmental forces beyond their control, particularly sea level rise."

Beyond the obvious environmental and economic consequences of the population boom, there are other changes which are more insidious, she said.

"The blue skies and seas of the Pacific and the absence of large-scale industrial pollution encourage complacency."

But changes are widespread and have happened quickly, as shown by the disappearance, in one generation, of some inshore fish species.

"Now, more and more people truly just subsist, eating tinned fish, rice and bread and paying for it in hard-earned cash. The disappearance of species may be one sign that some places are moving towards a threshold of irredeemable degradation," she said.

In the Pacific, damage to the environment was often regarded as the necessary cost of progress.

"Population growth will not be the sole cause of calamity, but it does speed the time in which the consequences of poor resource management have repercussions upon the human inhabitants of islands," the report said.

Chung said the answer to population problems was likely to come from education. "There is a fortuitous overlap between factors that improve quality of life, such as improved health, nutrition and education, those that enhance productivity, and those which reduce population growth.

PNG, Solomons, Vanuatu To Discuss Trade Accord*BK2306064193 Melbourne Radio Australia in English 0500 GMT 23 Jun 93*

[Text] Officials from the Spearhead Group of countries are holding talks in Port Moresby under a proposal for a trade agreement linking Papua New Guinea [PNG], Solomon Islands, and Vanuatu. The proposal is contained in a report commissioned by the South Pacific Forum Secretariat and will be one of the matters discussed at next month's Spearhead Summit Conference in Port Moresby.

Radio Vanuatu says the report proposed the agreement focussed particularly on the trade in beef, canned tuna, and processed tea. Under such an agreement, Vanuatu would export beef to PNG and Solomon Islands and import canned tuna from the Solomons and tea from PNG.

Radio Vanuatu says the Port Moresby, which is preparing for the Spearhead Summit, is also considering including other products in the agreement so as to provide additional stimulation to the economies of the three countries.

Australia**Minister Comments on Further Aid to Bougainville***BK1906075093 Melbourne Radio Australia in English 0500 GMT 19 Jun 93*

[Text] Australia will look at increasing its contribution to the restoration program on Bougainville if asked. Sean Dorney reports that the Australian minister for Pacific Island Affairs and Development and Cooperation, Gordon Bilney, made the commitment just before leaving Papua New Guinea today for Nauru.

[Begin recording] [Dorney] On Thursday [17 June] Mr. Bilney announced the \$2 million assistance package for school, health clinics, and agricultural projects on Bougainville and he said Prime Minister Paias Wingti had told him that the people of the (?Island) want to see some evidence that government services were being restored.

[Bilney] We absolutely support that objective. We think that's the way to go. That the military solution is not possible and people want to see something happen as a result of peace being brought about. So we are keen to get behind that and if the amount of money that is allocated up [words indistinct] very hard to find ways of doing that. [end recording]

Minister: Budget Deficit Lower Than Expected

BK2406093993 Hong Kong AFP in English 0729 GMT
24 Jun 93

[Text] Canberra, June 24 (AFP)—Australia's budget deficit for the 1992/93 financial year would be lower than expected, Treasurer John Dawkins said Thursday. Dawkins said the budget deficit for the year to June 30 would be below the latest official forecast from March of 15.9 billion Australian dollars (11 billion U.S.) and closer to last August's original estimate of 13.389 billion.

"Whilst it is too early to be precise about the deficit outcome for '92/93 ... it is clear that the deficit outcome is going to be somewhat closer to the budget time estimate than we thought a few months ago," Dawkins told reporters.

Government sources said the 1992/93 deficit figure was likely to be around one billion dollars lower at 15 billion dollars, due to the higher corporate tax revenue and smaller than expected capital works spending. The original August forecast was revised because of the increasing severity of the recession. But the deficit figure for 1993/94 remained unchanged at 18.0 billion dollars, Dawkins said.

Dawkins has previously said the 1993/94 deficit would have to be cut back to around 16 billion dollars, or the same as the latest official forecast for the current fiscal year. But the problems facing the government in trying to reduce the 1993/94 deficit are not less severe because it will be able to cut this year's shortfall by more than expected, Dawkins warned. He said most of the reasons for the prospective improvement are due to one-off factors.

"We're still confronting a formidable task next year as we put this budget together in order to ensure we achieve the kind of deficit target we have in mind," he said.

The 1993/94 deficit will be announced in the August 17 budget statement while the 1992/93 outcome will be announced in the monthly financial statement due out early next month.

An opposition spokesman accused the government of deliberately deflating the deficit figure through "clever accounting practices".

Brokers said news of a reduced budget deficit was expected and so did not stir and significant market reaction.

Meanwhile, Australia's economic recovery still has failed to take off and only modest inflationary pressures are expected to prevail, according to two economic surveys released Thursday by major bank Westpac and the Melbourne Institute of Applied Economic and Social Research.

The surveys' leading index of economic activity rose by 0.5 points, or 0.4 percent, in April due to an expected mild recovery in business in the months ahead. The index is now 4.5 percent higher than its level a year ago and at 131.6 is at its highest level since May 1989.

However, the coincident index, which provides a broad measure of the current state of economic activity, fell by 1.0 point, or 0.7 percent, in April, continuing its relatively flat performance over the last two years. It is 1.4 percent lower from its level at the same time last year. Westpac economist Bill Evans said the continued weakness in the coincident index reflects the weak recovery in the economy and the inability to generate new jobs.

"The rise in the leading index continues the recent positive trend and suggests the pace of economic recovery should be able to increase slightly," he said.

Meanwhile, inflationary expectations measured by the two groups rose to 4.7 percent in June from 4.3 percent in March.

"While higher this quarter, both inflation and inflationary expectations remain at low levels, and this result should not stand in the way of a further easing in monetary policy," Evans said.

Financial markets are poised for at least one more rate cut by the end of 1993. Most expect it after the August 17 budget.

Rates were cut by 50 basis points to 5.25 percent on March 23.

